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Established 1887

Austria	125	Kenya	Sh. 7
Belgium	20 B.F.	Lebanon	2,525
Denmark	3.50 D.Kr.	Luxembourg	20 L.F.
Egypt	40 P.	Morocco	2.75 D.
France	2.50 F.	Netherlands	1.50 G.
Germany	1.50 M.	Nigeria	70 K.
Greece	300 F.	Norway	3 N.Kr.
Great Britain	1.50 Q.	Portugal	25 Esc.
India	18 Ru.	Sweden	7.75 S.Kr.
Iran	40 Rls	Switzerland	1.75 Fr.
Israel	1.75 L.S.	Turkey	17 L.
Italy	400 L.	U.S. Military (Eur.)	50 C.
		Yugoslavia	20 D.

After Havana Talks

Cuba Would Free Many U.S. Prisoners

WASHINGTON, Aug. 31 (UPI)—Cuba has offered to release hundreds of political prisoners to the United States, beginning with 48 who will be screened by U.S. officials in coming weeks, the Justice Department said today.

Attorney General Griffin Bell will consider admitting the past and present Cuban political prisoners on a case-by-case basis under a special procedure of U.S. immigration law, Justice Department spokesman Terrence Adamson said.

Mr. Adamson said that the individuals involved, plus 30 members of their families who also will be considered for immigration, had applied for entry into the United States.

The announcement comes amid efforts to improve diplomatic relations between Cuba and the United States. The arrangements are the result of discussions in Havana during the last two weeks between U.S. diplomats and Cuban officials, he said.

Mr. Adamson emphasized that the Justice Department was committed to screen only the 48 prisoners, regardless of how many political prisoners are released from jail in Cuba. Screening other Cuban political prisoners for admission "is a totally different action," he said.

"We do not anticipate a total of over 1,000 prisoners," Mr. Adamson said, adding that the United States would get the names of other prisoners in coming months.

He said that the past and present prisoners fall into three categories: jailed political prisoners, former prisoners on parole in Cuba, and former prisoners no longer on parole.

Mr. Bell said in the announcement that more Cubans in the three prisoner categories are expected to apply soon for entry to the United States.

Mr. Adamson refused to further identify the first 48 prisoners involved except to say that one or two may have been involved in the 1961 Bay of Pigs invasion of Cuba by an anti-Castro group.

The immigrants, he said, were being considered under a section of the Immigration Act giving the attorney general discretionary authority to grant such admissions "if he deems it necessary . . . for either emergency reasons or in the interests of the United States."

Screening Necessary

Mr. Adamson said that the screening is necessary to insure that the Cubans involved are "not spies, terrorists . . . common criminals."

"There's a lot we need to know about these prisoners," he said.

He said that the Justice Department has only the immigration applications filled out by the individual prisoners and must "corroborate" the information. Any who want to be admitted, he said, must meet all guidelines of the Immigration and Nationality Act. Asked to describe the prisoners involved, Mr. Adamson said: "I really don't know whether they're well known or not. They're political prisoners as characterized as such by the Cuban government itself. When we speak of political prisoners, we have reference to anybody incarcerated or who has been incarcerated because of an act, expression or attitude of an essentially political nature against the Castro government and the communist system in Cuba."

Australia Bars Visit By Nixon

CANBERRA, Australia, Aug. 31 (UPI)—The Australian government today rejected a proposed visit by former President Richard Nixon, saying that the "timing would be awkward."

Government officials said that Mr. Nixon's staff in Washington last week approached the Australian Embassy about a visit in September. "His staff asked about the possibility of coming to Canberra in late September and meeting Prime Minister Malcolm Fraser and Foreign Minister Andrew Peacock," a government spokesman said.

"We have had to tell Nixon's staff that the time would be awkward for Australia and it would be difficult to arrange these meetings," the spokesman said. Mr. Fraser and Mr. Peacock had a number of official visitors scheduled for September and that Parliament was in session.

Britain Agrees to Accept Full Airbus Partnership

From Wire Dispatches

LONDON, Aug. 31—Britain announced today a decision to be a full partner in the wide-bodied European 310 Airbus and gave its approval for British Airways to buy 19 U.S.-made Boeing 757s, to be powered by Rolls-Royce engines.

British Industry Secretary Eric Varley announced that the government backs the plan by British Aerospace, effective next Jan. 1, to take a 20 percent stake in the Airbus. He also said that Britain has given state-owned Rolls-Royce Ltd. approval to launch its RB211-535 engine for use in the Boeing 757.

Mr. Varley said that British Airways plans to buy 19 of the 757s at a cost of £400 million (\$800 million).

Mr. Varley said the decision to allow Rolls-Royce to develop the RB211-535 should represent 5,000 jobs at the aero-engine company's plants in the next few years.

He added that the state-owned British Airways had proposed to order 19 of the narrow-bodied 757s, powered by the RB211-535, and that British Trade Secretary Edmund Dell had approved this purchase.

The main partners in Europe's Airbus Industrie, France and West Germany, gave the British announcement a mixed reception. In Paris, French Transport Minister

Joel Le Theule said that he could hardly see how agreement with the British could be reached on the Airbus if British Airways decided to buy the Boeing 757, which he described as a rival to the European plane.

But he welcomed Britain's move to rejoin the Airbus project, saying that it meant "the door is not closed and we have several weeks of discussions ahead of us."

In Bonn, West Germany welcomed the British move, saying that it hoped a solution to French objections could be found.

Mr. Varley said, "If the agreement is accepted by those governments, British Aerospace would take a 20 percent share in Airbus Industrie and would play a full part in the development and manufacture of the 310 derivative of the 300 Airbus."

The main stumbling block to British Aerospace becoming a full partner in Airbus Industrie has been French demands that British Airways buy Airbus Industrie planes.

Mr. Varley said that British Airways' immediate needs can be met by acquiring narrow-bodied aircraft of medium size and range. The Boeing 757 is such a plane, he said.

"But British Airways consider, on the basis of existing comparison, against Vietnam by Peking."

In Kidnap Attempt Near Mexico City

Son of Mexican Envoy to U.S. Is Slain

MEXICO CITY, Aug. 31 (AP)—The 35-year-old son of Mexico's ambassador to the United States was found dead yesterday after being kidnapped by guerrillas who reportedly demanded \$2 million "for the struggle of the proletariat."

A police source said that an autopsy showed that Hugo Margain was shot once in the leg and bled to death. Police sources said that the body was found in a field yesterday morning about 12 hours after the shooting.

Mr. Margain, director of the Institute of Philosophy at the University of Mexico, reportedly was riding in his car with an American friend, Justin Evans. Bodyguards were following in another car.

Mr. Margain's father, Hugo Margain Sr., is serving his second tour as ambassador to the United States.

A police report said that the car was intercepted by an auto containing four men and a woman.

"When the bodyguards tried to intervene," the report said, "the attackers . . . opened up a burst of submachine-gun fire. A bodyguard was wounded. Return fire by the bodyguards also presumably wounded one of the attackers, but they all managed to escape."

It is believed that Mr. Margain was killed in the shootout. Mr. Evans was wounded, but not seriously.



Cosmonauts Bykovsky, Kovalenok, Jaehn and Ivanchenkov talk to ground controllers.

Salyut-6 Cosmonauts Busy Testing and Tasting

MOSCOW, Aug. 31 (UPI)—The four cosmonauts aboard the Salyut-6 Soviet space laboratory tested each other's senses of taste and time today to study the effects of space life on human perceptions, Tass reported.

The four also photographed the earth with a special six-lensed camera designed by the Carl Zeiss Jena factory in East Germany.

The MKF-6M multispectral camera enabled the cosmonauts to photograph 130-mile sections of the earth in all six monochromatic frequencies of the spectrum at the same time, providing valuable

information for geologists, geophysicists, agricultural experts and environment engineers, Tass said.

Soviet cosmonauts Vladimir Kovalenok and Alexander Ivanchenkov have been in the space station since June. Valery Bykovsky of the Soviet Union and Sigmund Jaehn of East Germany arrived aboard Soyuz-31 last Sunday and are expected to return to earth this weekend.

If Mr. Kovalenok and Mr. Ivanchenkov remain in space until Sept. 20, they will break the space-flight endurance record of 96 days that was set earlier this year by cosmonauts Georgy Grechko and Col. Yuri Romanenko.

U.S. Has Edge Numerically in Nuclear Race

LONDON, Aug. 31 (UPI)—The United States has an edge of more than 2-to-1 in the number of warheads it could launch against the Soviet Union in a future nuclear conflict, according to the International Institute for Strategic Studies.

But it said that Soviet warheads are more powerful. The institute is an independent center for information and research on problems of security, defense and control. In its annual "military balance" survey, the institute said that the United States could launch more than 11,000 warheads—almost twice as many as a decade ago—compared with 4,500 that the Russians could launch.

But the Soviet total, it said, will rise to more than 7,500 in the early 1980s, and "its individual warheads have significantly higher yields than U.S. ones."

On the ground in Europe, the institute said, the Russians have a huge and increasing edge in numbers of troops, tanks and guns. It said previous NATO superiority in quality of weapons is being eroded.

Low-Flying, Ground-Launched Limitless Cruise Missile Studied by U.S. Air Force

By George C. Wilson

WASHINGTON, Aug. 31 (WP)—The Air Force is studying a nuclear-powered cruise missile that could fly low enough to escape radar detection all the way from the United States to the Soviet Union.

Such a missile would be a significant advancement over the short-range cruise missiles that President Carter has decided to build for the 1980s over Soviet objections.

Although this advanced missile, the Intercontinental Cruise Missile, or ICCM, is only an idea, the interest of the Air Force gives a glimpse of what could become a new weapon on the superpowers' arms balance.

A cruise missile is like a small plane without a pilot. It flies an H-bomb to the target by "feeling" its way along radar beams that compare features on the ground with a computer map.

Two Types

The Pentagon already is developing two different cruise missiles, the "Albatross" for air launched cruise missile and the "Slickem" for the sea-launched missile.

In hopes of soothing Soviet fears about this weapon, which is designed to penetrate any possible Soviet defense in the 1980s, U.S. negotiators at the Strategic Arms Limitation Talks have offered to limit the range of the air-launched Cruise to about 1,500 miles and the submarine-launched missile to 360 miles.

But these limits would remain in force only through 1980. Air Force planners are looking at a Cruise missile with virtually unlimited range for the 1990s, one that could be launched from the ground in the United States.

Prohibition concepts shall consider nuclear. The Air Force's Flight Dynamics Laboratory at Dayton told defense contractors in inviting them to submit designs for the Intercontinental Cruise Missile.

"Flight scenarios shall consider supersonic, low-altitude penetration as well as other alternatives," the Air Force continued in the guidance set forth for contractors in the Aug. 8 issue of the government publication "Commerce Business Daily."

Hybrid Idea

One idea being explored is to build a hybrid missile—one that would zoom aloft on rocket power and then maneuver through the sky on a tiny airplane engine.

Backers of this concept said that the rocket launch would keep the weapon from being destroyed on the ground by a sudden enemy attack while the slower flying would

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Vietnam Breaks Silence, Denies Taking China Hill

By Jay Mathews

HONG KONG, Aug. 31 (WP)—Vietnam today called a report that it had occupied a hill in Chinese territory "false fabrication," thus ending its five-day silence on the most serious charge so far in the feud between the two former socialist allies.

The official Vietnam news agency issued a statement rejecting reports by Peking that Vietnamese troops had occupied China's Botten Ridge and dug trenches and erected barbed wire around the ridge on Chinese territory.

"This distortion is aimed at covering up a series of criminal actions . . . against Vietnam by Peking."

the agency said in a dispatch reaching here.

After a bloody scuffle last Friday involving Chinese refugees in the border area, Vietnamese forces had to insure security and order in the Vietnam border areas, according to the official English translation of the Hanoi statement.

The statement denied that Vietnamese forces had occupied the hill, but it seemed to leave open the possibility that they had been in Chinese territory at least temporarily.

Inexplicable Delay

Analysts here were unable to explain the delay in the response from Hanoi, which has been quick in the past to answer Chinese charges during their escalating propaganda war. The Chinese have not referred specifically to the occupation since Monday, when the Chinese news agency released a detailed description of the alleged entrenched Vietnamese position on the hill. It is not known what the present situation is at the tense border area known as the Friendship Pass.

Peking failed to mention the Bonnet occupation in its account of its diplomatic protest to Hanoi yesterday over an alleged Aug. 12 violation of the border by Vietnamese border patrolmen. Some analysts suggested that the failure to mention the more recent and more serious occupation, coupled with Vietnam's response, indicated that the Vietnamese were not now occupying the hill and that a dangerous clash between Chinese and Vietnamese had failed.

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'Creeping Occupation'

Dayan Cites Threat From Syrian Force

By William Claiborne

JERUSALEM, Aug. 31 (UPI)—Israeli Foreign Minister Moshe Dayan yesterday told his senior staff that "creeping occupation" by the Syrian Army in Lebanon could lead to the placement of Syrian missiles and Soviet advisers along Israel's border.

Mr. Dayan said that the urgency of the situation in Lebanon, where Israeli-supported Christian militias have been under attack by the Syrians, will be conveyed to the "highest levels" of the U.S. government when the Israeli delegation to the Camp David summit arrives in the United States on Sunday.

The warning by Mr. Dayan to his top advisers in a closed meeting yesterday was related to reports by a Foreign Ministry spokesman in what appeared to be an intensification of Israel's efforts to focus attention on Lebanon without appearing to threaten military intervention. The same warning, government officials said, was given to U.S. Embassy Charge d'Affairs Samuel Hart in a meeting yesterday with Mr. Dayan, Prime Minister Menachem Begin and Defense Minister Ezer Weizman.

There was no mention of military intervention in Mr. Dayan's remarks to his staff, nor in a speech to the United Jewish Appeal in Jerusalem.

Status Quo

In his speech, Mr. Dayan said, "we are trying by political means to do everything we can and everything the big powers can to achieve a cease-fire in Lebanon and the status quo. Let's hope that will work out, and let's not discuss a military move," Mr. Dayan said.

Warning of creeping occupation in Lebanon, Mr. Dayan said, was to have warned his staff that Syria could first be expected to seize control of Beirut by cutting the capital off from Phalangist and National Liberal Party militias in the hills to the north.

Then they could move part of their army to the central region of Lebanon, possibly moving in surface-to-surface missiles and Soviet advisers.

Britain Cleared By WHO in Smallpox Cases

LONDON, Aug. 31 (UPI)—The World Health Organization today cleared Britain of any reason to start requiring smallpox vaccination certificates from British travelers because two suspected smallpox victims had been cleared.

Eleven countries informed Britain that they would require vaccination certificates after one confirmed and two suspected cases of smallpox were reported in the Birmingham area.

The two suspected cases—women who had close contact with the confirmed smallpox victim—were admitted to an isolation hospital "as a precautionary measure and are now not considered to be cases of smallpox," the WHO said. It added, "There is no justification for changing existing vaccination requirements."

The government ordered an investigation of the Birmingham smallpox case.



Moshe Dayan

When asked whether Mr. Dayan's warning was conjectural or whether it was based on intelligence forecasts, the Foreign Ministry spokesman said, "It . . . pointed out a possible aim. We are aware of the

historical aim of Syria to take over Lebanon and establish a greater Syria. We know how Syria is slicing the salami."

In his speech to the United Jewish Appeal, Mr. Dayan said, "Of course, we are concerned with Camp David, but we cannot ignore other things happening."

"As usual, at the time we do not appreciate probably enough the importance of such events. Only when you read eventually the history, then you think . . . You know what happened in 1978, Syria just moved in and took over Lebanon," and at the time it just slips between your fingers," Mr. Dayan said.

He added, "It is happening now—now in Czechoslovakia, but here next to our door and it will have repercussions on our security."

Mr. Dayan also said that the United States will be urged to consider the "humanitarian" aspects of the fighting in Lebanon, and to consider that if the Christian militias are defeated Lebanon will turn into a "slaughterhouse" of reprisals against Christian civilians.

Mr. Dayan was said to have reminded his staff that the plight of Christians "brings up the memory of the Jewish people a very dark era of Jewish history."

The Foreign Ministry, meanwhile, said it had no knowledge of the Soviet Union issuing a warning, directly or indirectly, against Israel.

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Canada, Australia, New Zealand

3 U.S. Allies Reportedly Sounded on Mideast Unit

TEL AVIV, Aug. 31 (UPI)—The United States has approached Canada, Australia and New Zealand about the possibility of establishing an international peacekeeping force on the occupied West Bank of the Jordan and in the Gaza Strip, an Israeli report said today.

A dispatch from Washington in the Jerusalem Post quoted "well-placed U.S. sources" as saying that each of the three U.S. allies greeted the approach with "a certain receptiveness."

Carter administration officials had discussed the possibility of an international force with UN Secretary-General Kurt Waldheim, the Post said, and Mr. Carter might raise the concept at the Camp David summit next week.

The U.S. idea, according to the Post report, would make an international force part of arrangements to guarantee Israel's security in a general Middle East peace settlement.

Sadat Might Agree

The force would not necessarily replace an Israeli military presence on the West Bank or in Gaza during a minimum five-year interim period, but the Post said that the United States envisaged withdrawal of Israeli troops from populated areas to six or eight strategically placed garrisons.

Citing its sources, the Post said there was no guarantee that Israel would accept such a plan, but Egyptian President Anwar Sadat could be expected to agree to it.

The Post report appeared after several reports saying that Mr. Carter was considering stationing

Former Rebel Is Premier In Chad Switch

PARIS, Aug. 31 (IHT)—The appointment as premier of Chad of Hissene Habre, until recently the leader of an armed rebellion, has been welcomed here as a sign of progress after 15 years of on-and-off civil war in the sprawling country.

President Valery Giscard d'Estaing wired his "most cordial congratulations" to Chad's President Felix Malloum yesterday. He looked ahead to the "peace and unity that the country's development and the welfare of its citizens require."

Mr. Habre, who studied in France and later led anti-government Touareg guerrillas in the Tibesti region of the north, was appointed in N'Djamena on Tuesday to set up a government of national union.

A spokesman for the French Foreign Ministry said that the turnout was "a first step" in a process of reconciliation that France had been advocating for Chad.

National Guardsmen Ignore Truce

17 Killed, 100 Hurt in Fighting in Nicaraguan Town

By Leonard Greenwood

MATAGALPA, Nicaragua, Aug. 31—At least 17 civilians were killed and nearly 100 wounded here in 30 hours as the Nicaraguan National Guard moved in with air strikes and automatic weapons Tuesday and yesterday to suppress a rebellion of 500 youths armed with pistols and light rifles protesting the dictatorship of President Anastasio Somoza.

Many National Guardsmen also were reported wounded, but military officers here refused to give any information about their casualties.

Red Cross employees and doctors said there were at least nine dead yesterday, the first day of heavy fighting. But they reportedly were many more dead in the hilly suburbs north of the city, where the young guerrillas were still in control.

At least eight civilians were killed yesterday and there was still heavy firing at nightfall after a truce attempt by Archbishop Miguel Obando y Bravo, who had driven 100 miles from the capital of Managua, had failed.

Red Cross workers have counted almost 100 civilians wounded. Many more are thought to be wounded but reportedly are afraid to come into the Red Cross center because the national guard troops might find them there.

At the Montserrat private clinic all 18 beds were occupied by the wounded and more lay on the floor. At another private clinic there were more than 20 wounded.

Red Cross officials said that many of the wounded were women and children hit by rockets fired from two Nicaraguan Air Force planes that flew low over the city for several hours Tuesday afternoon.

A government spokesman in Managua said that the planes were strafing snipers. But Red Cross officials and ambulance workers said that most of the victims of the rocket attacks were refugees trying to get away from the firing.

The two air force planes flew over the city again yesterday morning, sending machine-gun fire onto parts of the city.

Hundreds of people fled from Matagalpa carrying clothes, television sets and radios on their heads

and backs. More than 300 arrived at the main Red Cross depot in one wave yesterday morning. They were fed and asked to leave again to make way for new refugees arriving with hungry children.

The strongest attack by the national guard was an assault on the Hotel Souza, a small family hotel.

Guardsmen closing in on a guerrilla post tried to take refuge in the hotel, but the doors and windows were barricaded. The guardsmen broke down the doors and wooden shutters and entered with automatic weapons firing.

Four unarmed civilians in the front of the hotel were killed.

The attack on the hotel took place during a truce arranged by the Red Cross and the archbishop in the early afternoon.

It was one of many national guard violations of the truce witnessed by Red Cross workers, church officials and reporters.

Very quickly after the truce had been announced, it became obvious that the national guard was taking advantage of the cease-fire to advance into areas held by the young guerrillas.

Many streets were barricaded

with concrete blocks, wooden beams and oil drums. Broken glass was inches deep and there were nails to puncture the tires of national guard vehicles.

Peace Mission

An ambulance, with passengers waving Red Cross flags from open windows, cruised slowly through the streets with Sister Marta Frech Lopez, of the Order of the Missionaries of Charity, the leader of a peace delegation, telling of the truce through a loudspeaker on the roof.

As the car moved down Central Street, troops opened fire in another direction. The truce had been on for an hour. The car swung left and up the hill into one of the poorer, hilltop suburbs where the young guerrillas had their strongholds.

Behind the ambulance, troops fired up a hill, well to the side of the car. At the next corner, two young guerrillas, wearing jeans, battle-dress tops, boots and baseball caps, with masked faces, returned the fire, shooting at the troops behind us.

At the corner, the car swung left

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Vatican Is Accused of Turning Shady Profits From Its Wealth

ROME, Aug. 31 (AP) — Italy's leading economic weekly accused the Vatican bank today of helping some of the country's richest people evade the laws against transfer of capital abroad. It appealed to Pope John Paul I to impose "order and morality" on the church's finances.

In an open letter to the new pope, Paolo Panerai, editor of *Il Mondo*, said that the Vatican's financial dealings included "speculation in unhealthy waters."

"Is it right that the Vatican operates in markets like a speculator?" Mr. Panerai asked. "Is it right that it has a bank whose acts help Italian transfer capital and evade taxes?"

There was no immediate comment from the Vatican. *Il Mondo* is published by the Milan daily *Corriere della Sera*, Italy's largest and one of its most respected newspapers.

The editor said that the Vatican, "despite reforms by Pope Paul VI, continues to live with a dramatic contradiction in the most temporal manifestation of the earth: money."

"Unscrupulous Channels" "Believe us, Your Holiness," Mr. Panerai wrote, "we understand well the Vatican's need to have financial autonomy to sustain its apparatus to spread the faith, in addition to

pious works. We believe that is right. But don't you think, Your Holiness, that to achieve those objectives there are ways other than the most unscrupulous channels that capitalism offers?"

Mr. Panerai said that the Vatican was heavily involved in stock and money markets and that the director of its bank, Bishop Paul Marcinkus of Cicero, Ill., "is the only bishop who sits on the board of directors of a lay bank in one of the fiscal paradises of capitalism — the Cisalpine Overseas Bank of Nassau."

Accompanying the open letter was an unsigned report entitled "The Wealth of Peter." It asserted that Bishop Marcinkus looked after Vatican investments in various parts of the world through the Continental Bank in Chicago.

The report said that the Vatican bank, called the Institute for Religious Works, held deposits estimated at \$2 billion, and that its 7,000 depositors included "some of the biggest Italian industrialists and businessmen." The report gave no names.

Bank Collapse

It said that these men used the accounts to transfer their holdings abroad in violation of currency laws forbidding transfer of capital earned in Italy.

Il Mondo said that the Vatican lost about \$80 million in the collapse of the banking empire of fugitive Sicilian financier Michele Sindona, who was convicted to absence of bank fraud and sentenced to 3½ years in jail. Mr. Sindona is fighting extradition from New York.

The paper said that the Vatican had extensive investments to gold and stocks in the United States, including shares in General Motors, General Electric, Shell, Gulf Oil, Bethlehem Steel, IBM, TWA and Pan American.

"As for real estate, the Vatican can be considered one of the biggest property-holders in the world. In Rome alone, the Holy See owns 5,000 rented apartments which bring in \$4 million a year," *Il Mondo* said.

Last year the independent weekly *L'Europeo* reported that the Vatican and its religious orders owned at least a quarter of Rome's real estate and sold properties at windfall profits without paying Italian taxes.

Secret Finances

The Vatican newspaper *L'Osservatore Romano* called the *L'Europeo* report "methodical scandalism" and "anti-clericalism" aimed at driving religious institutions out of Rome. It denied that the Vatican evaded taxes. Some transactions were made, the paper said, not for speculation but "for functional necessity or for charity."

Vatican finances are secret, but last week the *Turin daily La Stampa*, quoting "financial experts," estimated the Vatican's wealth to be between \$600 million and \$720 million.

The Holy See rejects reports that it is rich. In 1970, when published reports put the Vatican's capital investment to out of Italy at \$12 billion, the Vatican said that the true total was less than \$130 million.

Pope Paul often referred to the financial difficulties of the church, brushing aside reports of fabulous Vatican riches. He once said that the church "must be poor and appear poor."

His successor was noted for co-scuting while patriarch of Venice, authorizing his churches to sell gold to help the handicapped. "The true treasures of the church are its poor," the new pope once remarked.

Independence Day

Marked by Malaysia

KUALA LUMPUR, Malaysia, Aug. 31 (UPI) — Malaysia celebrated its 21st year of independence from Britain today with a mammoth parade through the streets of the capital.

Thousands of students, workers, soldiers and government officials participated in the parade in light morning rain.

Britain Agrees to Accept Full Airbus Partnership

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The chairman of British Airways, Sir Frank McFadden, said he was very pleased to learn of the government's decision to allow it to buy the 757, "particularly as it will enable us to continue our very long and close association with Rolls-Royce."

"Most Suitable" "The Boeing 757 is the most suitable short-haul design that has been offered to us for service on our denser routes and it will fit particularly well into our European network," he added.

The order for Boeing 757s is separate from the airline's earlier purchase, announced in July, of 19 Boeing 737 short-haul jetliners. They are due to enter British Airways service in 1980.

Development cost of the RB211-535 is expected to total about £250 million, but Rolls-Royce reportedly hopes sales of the engine will come to £1 billion. The engine will have a thrust of 33,000 to 39,000 pounds.

Meanwhile, Eastern Airlines announced today that it has ordered 21 Boeing 757s with an option on 24 more.

The Boeing Co. has now sold a total of 275 jets this year.

The 757 has the body of a 727, one aisle and six seats abreast, but it is longer, with a new wing, new engine, new landing gear and greater fuel efficiency.

Guiraud Plans Trip

ABU DHABI, Aug. 31 (UPI) — French Foreign Minister Louis Guiraud will pay an official visit to the United Arab Emirates in November for talks on the promotion of bilateral cooperation, the official Emirates news agency said today.

Delays Minimal In French Air Workers Strike

PARIS, Aug. 31 (UPI) — The slowdown of French air controllers entered its seventh day today with only minimal delays in traffic at France's major airports, airport officials said. Longer delays this weekend, however, are expected.

The officials said that delays averaged 15 minutes for both international and domestic flights although in a few instances domestic flights were delayed by up to three hours due to flight cancellations to reduce traffic.

Most of the cancellations were made by Air Inter, the domestic airline, which is regrouping its passengers on larger planes.

Airport officials said that the delays caused by the slowdown at French and European airports was likely to grow over the weekend when vacationers return home from southern Europe.

Gilles Rougy, spokesman for the air controllers' unions, announced that the unions would not seek to prolong the strike and "embitter the situation" beyond Sept. 4, the date they originally set to end their action.

2 Chess Masters Agree to 18th Set Tomorrow

MANTLA, Aug. 31 (UPI) — The world chess championship will be resumed Saturday after the Soviets agreed to sit a Russian parapsychologist in the back row and Soviet defector Viktor Korchnoi agreed to take off his one-way tinted eyeglasses.

"He's going to play on Saturday for the 18th game," British Grandmaster Michael Stean, a Korchnoi aide, said after conferring with the challenger and chess jury member Ed Edmondson of the United States.

Mr. Stean had rushed to Manila from Baguio, the site of the championship 120 miles north, after Mr. Korchnoi telephoned his desire at 3 a.m. to have the previously postponed 18th game reset for Saturday.

Aides in Baguio said that the compromise involved agreement by Soviet titlist Anatoly Karpov to have his alleged "mind bender," Dr. Vladimir Zoukhar, sit with the Russian delegation in the upper back row.

In turn, Mr. Korchnoi dropped his demand to have a one-way mirror set up at the playing hall which would enable the crowd to see the players but prevent the protagonists from viewing the crowd and agreed to take off the one-way tinted eyeglasses he had worn to the past games to prevent Mr. Karpov from seeing his eye movements and anticipating his moves.

Attention on Case

"We have no illusions that the procurator-general will acknowledge the petition, let alone respond," Mr. Cotler said. He added that Mrs. Shcharansky "believes that efforts of this kind may be keeping her husband alive" by focusing international attention on his case.

After the news conference, Mrs. Shcharansky was received by Prime Minister Pierre Trudeau, who had strongly condemned the Soviet verdict and offered to give Mrs. Shcharansky permanent residence status in Canada if the Soviet Union would allow him to emigrate here. About 40 relatives of the Shcharanskys live in Canada.

Mrs. Shcharansky, who was permitted by the Soviet Union to emigrate to Israel and is a citizen of that country, said that her husband hoped to keep his pledge to become an Israeli citizen, but would come to Canada if that were a condition of his release.

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Aides in Baguio said that the compromise involved agreement by Soviet titlist Anatoly Karpov to have his alleged "mind bender," Dr. Vladimir Zoukhar, sit with the Russian delegation in the upper back row.

In turn, Mr. Korchnoi dropped his demand to have a one-way mirror set up at the playing hall which would enable the crowd to see the players but prevent the protagonists from viewing the crowd and agreed to take off the one-way tinted eyeglasses he had worn to the past games to prevent Mr. Karpov from seeing his eye movements and anticipating his moves.

Attention on Case

"We have no illusions that the procurator-general will acknowledge the petition, let alone respond," Mr. Cotler said. He added that Mrs. Shcharansky "believes that efforts of this kind may be keeping her husband alive" by focusing international attention on his case.

After the news conference, Mrs. Shcharansky was received by Prime Minister Pierre Trudeau, who had strongly condemned the Soviet verdict and offered to give Mrs. Shcharansky permanent residence status in Canada if the Soviet Union would allow him to emigrate here. About 40 relatives of the Shcharanskys live in Canada.

Mrs. Shcharansky, who was permitted by the Soviet Union to emigrate to Israel and is a citizen of that country, said that her husband hoped to keep his pledge to become an Israeli citizen, but would come to Canada if that were a condition of his release.

2 Chess Masters Agree to 18th Set Tomorrow

MANTLA, Aug. 31 (UPI) — The world chess championship will be resumed Saturday after the Soviets agreed to sit a Russian parapsychologist in the back row and Soviet defector Viktor Korchnoi agreed to take off his one-way tinted eyeglasses.

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Mother grieves over coffin carrying body of her 12-year-old son killed in Matagalpa.

17 Die in Matagalpa, Truce Is Ignored

(Continued from Page 1)

and stopped. The driver motioned to the guerrillas and they waved angry hands of rejection to the offer to talk. Sister Marta got out of the car, microphone in hand, and implored them to come and talk, emphasizing that a truce had been declared.

Discuss Demands

One, armed with a rifle, ran to the car, the other covering him with a revolver. For a moment, the shooting stopped. The youth listened to the nun.

Shcharansky's Wife Files A New Appeal to Kremlin

OTTAWA, Aug. 31 (UPI) — Avital Shcharansky, in a petition charging numerous violations of Soviet law to the conviction and imprisonment of her husband, Anatoli Shcharansky, in Moscow last month for treason, yesterday filed a formal request through the Soviet Embassy in Ottawa for intervention in the case by the top Soviet appeal authority.

An 800-page document, addressed to the procurator-general of the Soviet Union and citing the alleged irregularities and voluminous other material pertinent to the case, was delivered to the embassy by an Ottawa court bailiff on behalf of Mrs. Shcharansky's Canadian lawyer, Irvin Cotler, a prominent civil rights attorney and professor of law at McGill University, Montreal.

At a news conference in a meeting room used by the Justice Committee of the Canadian Parliament, with Mr. Cotler as her interpreter, Mrs. Shcharansky said that the legal action was taken to Ottawa because her husband is a Canadian and because of the Canadian government's strong support of her husband's case.

New Campaign Phase

The appeal to the procurator-general represents a new phase in the campaign to free her husband, with his defenders meeting the Soviet authorities "on their own ground" by invoking Soviet law, she said. Mrs. Shcharansky, a 30-year-old mathematician, was sentenced by a Moscow court on July 14 to 3 years in prison, followed by 10 years in a labor camp. The charges against him followed his rise to prominence as a civil-rights activist.

The gist of the legal case brought

Delays Minimal In French Air Workers Strike

PARIS, Aug. 31 (UPI) — The slowdown of French air controllers entered its seventh day today with only minimal delays in traffic at France's major airports, airport officials said. Longer delays this weekend, however, are expected.

The officials said that delays averaged 15 minutes for both international and domestic flights although in a few instances domestic flights were delayed by up to three hours due to flight cancellations to reduce traffic.

Most of the cancellations were made by Air Inter, the domestic airline, which is regrouping its passengers on larger planes.

Airport officials said that the delays caused by the slowdown at French and European airports was likely to grow over the weekend when vacationers return home from southern Europe.

Gilles Rougy, spokesman for the air controllers' unions, announced that the unions would not seek to prolong the strike and "embitter the situation" beyond Sept. 4, the date they originally set to end their action.

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"We want to know your demands, what you want," she said. "We are not interested in a truce," he replied. "They won't respect it. We've been caught too many times like that before."

Sister Marta explained that other groups of guerrillas in other hillside suburbs had agreed to the truce and had put forth their demands. After more arguing, his companion also came forward.

"We want the National Guard out of here," said the first youth. "We want the planes to leave and

stop the rocket firing. We want the military post at Sabaco [a few miles south of Matagalpa] evacuated."

"Are those all your demands?" she asked. "All except the usual," he replied. "The usual?"

Somoza 'Should Go'

"Yes, that he [President Somoza] should go. Without that nothing else matters. That's what it's all about, Sister. We've tried everything else. We've tried every peaceful approach."

Sister Marta leaned over and put her hand on the youth's shoulder. "Listen to reason," she said. "If you don't, you're going to die. You have these little guns, and they have planes and modern weapons."

"Sister, we found we achieved nothing sitting at home. This is the only way."

A burst of gunfire was heard from the guardsmen around the corner and down the hill. The "truce" was 90 minutes old. The teen-agers with the revolver ran back to the corner and fired down the hill. Two other youngsters, armed with rifles, crawled out from behind a church behind him across the street.

They wriggled through the grass and hid behind a concrete cross, taking aim down the hill. Sister Marta put her hand on the young man's shoulder again. "For the love of God, stop this," she said.

"Tell them, not us, sister. You saw who started it again."

Sister Marta let him go back to the corner where he stood beside his colleague, firing.

Sniper Fire

The Red Cross car moved on. There were snipers at every corner, it seemed. The car swung into another street and two young women came running. The driver stopped as a burst of automatic fire came from a national guard sniper who had worked his way higher into the hills. The two women ducked down beside the car and talked through the open back door.

The firing got worse, and the door of a house a few yards away opened and a man beckoned the young women. "Get in here," he said, and the two women scurried toward him. The door slammed and the heavy wooden bolt slid into place. The street was deserted again.

On the left, 200 or 300 yards away, there was a new burst of heavy automatic firing that went on a long time.

We did not know it until a few minutes later, but the Souza Hotel was being raided.

The truce still had 15 minutes to go.

Dayan Warns of a Threat Of 'Creeping Occupation'

(Continued from Page 1)

military intervention in Syria, as suggested by Yehudi Alhoni, the Hebrew daily.

In another development, opposition Labor Party leader Shimon Peres met with Mr. Begin to discuss the government's preparations for the summit meeting, and reported a number of points in which he and Mr. Begin agreed on the limits of concessions.

These include, he said, no return to the pre-1967 borders, no Palestinian mini-state on the West Bank and the absolute necessity for the Israeli Army to remain on the West Bank.

Mr. Peres' remarks reflected the unusual unity among the government political factions as the summit approaches, with Mr. Begin's most vocal critics generally expressing support for the summit delegation after months of bitter fighting over Israel's peace policy. The debate led to a Knesset (parliament) vote of no confidence in the Begin

As ETA Threatens Killings

Spain Is Said Sanctioning Police Union for Protest

By James M. Markham

MADRID, Aug. 31 (NYT) — A major shake-up appears to be under way in the command structure of the Spanish police, after another outburst of terrorism — four policemen were murdered Monday — and a verbal attack on the government from a rightist policemen's union.

According to several accounts, the government of Premier Adolfo Suarez plans to move firmly against the authors of an angry manifesto issued in the name of the Professional Association of Police (PAP), which declared itself "sadly fed up" with "empty" condemnations of terrorism.

The statement, which was given to Spanish reporters at Madrid's police headquarters, lamented what it called "indiscriminate" amnesty measures, and on ordinary citizens to express their demands for "order, security and justice."

A similar note issued by a police association in Bilbao, to the tense Basque region, accused Spaniards of "complicity by silence" in the face of terrorism, and the government of responding with "vague words of condemnation."

In response, the General Directorate of Security, which runs the police in Spain, issued a note of its own calling the manifesto "inopportune" and denying that the government had deprived the country's 65,000 civil guardsmen and 38,000 national policemen of the means to combat terrorism.

Interior Minister Rodolfo Martinez Vilela was reported planning to fire the men behind the association statement, including an official who had served as the right-hand man of Madrid's former police chief.

Since the gradual advent of democracy in Spain, the handling of the police has been one of the trickiest chores facing the reformist Suarez government. On the one hand, the government has conspired to remove the police of officials who loyally served Franco; on the other, it has tried to quash overt political moves by policemen.

After a public demonstration by policemen in Madrid in December, 1976, for example, 46 members of the paramilitary civil guard were fired for taking part.

A sapping campaign of terrorism, which is concentrated in the Basque region and has taken individual policemen as its main targets, has aggravated the government's problems with the police.

The killings have nurtured exasperation and fear among policemen — but at the same time have raised questions about their efficiency in combating terrorism in the first place.

In an editorial, the liberal *Madrid daily El Pais* focused on what it called "the worrisome incapacity of our police agents to prevent these crimes, pursue and capture the guilty and determine the true profile of this monstrous and criminal conspiracy against the lives of the servants of public order, military officers and democratic institutions."

Initially, the government seemed loath to leave the anti-terrorism struggle to "old hands" from the Franco era, experts to their time in hunting underground Communist

ETA Threatens Killings

BILBAO, Spain, Aug. 31 (AP) — ETA announced yesterday that it will continue its attacks against the Spanish government until the police forces are dissolved.

In a communique, ETA threatened to kill Interior Minister Martin Vilela and rightist political leader Manuel Fraga Iribarne, a former Franco minister.

ETA also threatened to kill the Bilbao police chief and other police officers.

The guerrilla organization has claimed responsibility for the slaying of policemen in the Basque towns of Fuenterrabia and Mondragon on Monday.

Police Unionists Suspended

MADRID, Aug. 31 (AP) — The Interior Ministry has suspended the policemen responsible for the union manifesto criticizing the government, police sources said today.

The Interior Ministry had said its report that an investigation had been opened and sources would follow. Today police sources said that the 14 members of the police association's executive had been suspended indefinitely and without salary from their police jobs.

3 Leftist Parties In Iceland Form A New Cabinet

REYKJAVIK, Aug. 31 (UPI) — Three leftist parties announced today that they had formed a new government to be headed by a former premier, Olafur Johansson, of the Progressive Party.

The Progressives, Social Democrats and the Communists will each hold three Cabinet posts. The foreign ministry will go to Social Democrat Party chairman Benedikt Groendal, a believer in keeping Iceland in NATO.

New Cruise Studied

(Continued from Page 1)

enable it to be recalled after launch like a manned bomber.

The Air Force's interest in an intercontinental cruise missile was a return to a 1950s concept that lost out to the ballistic missiles that dominate the U.S. land-based strategic offense.

The thinking at that time was that only manned or unmanned planes could carry the heavy H-bombs of that era from the United States to the Soviet Union.

One unmentioned plane of that era — an early long-range cruise missile called *Shark* — crashed several times off Florida during flight tests. With the arrival of the higher, missile-sized H-bombs, ballistic missiles took over from the *Shark* and other cumbersome Cruise missiles.

Today, Cruise missile engines are much smaller and more efficient than those tried on *Shark*.

Small nuclear engines, pushed by the Pentagon in the 1950s and 1960s and then abandoned as impractical for bombers or missiles, also have fresh appeal as evidenced by the Air Force's expressed interest in them for a global Cruise missile.

U.S. Tests Blast on MX

PHOENIX, Ariz., Aug. 31 (UPI) — The Defense Department yesterday concluded a series of tests for the proposed MX intercontinental ballistic missile by exploding a powerful charge to simulate the effects of a nuclear blast on the missile's storage systems. The test was 35 miles south of Lake Havasu City.

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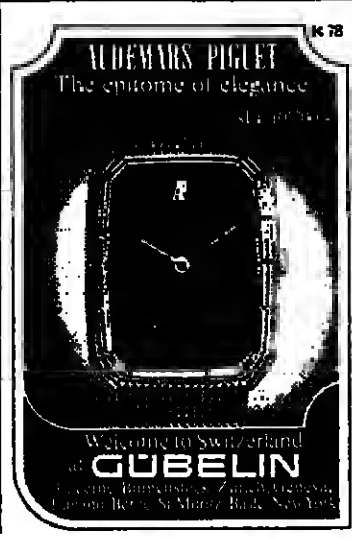
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In Probe of Phantom Work

50 Indictments Expected
In U.S. Agency Kickbacks

By Ronald Kessler

WASHINGTON, Aug. 31 (WP) — U.S. grand juries are expected in the next several months to indict 50 General Services Administration employees, contractors and suppliers on charges of bribery and fraud, GSA Administrator Jay Solomon said yesterday.

The grand juries, under direction of U.S. prosecutors in Washington and in Baltimore, have been told that some GSA employees were bribed by companies that repair federal buildings and provide office supplies for U.S. agencies, according to sources close to the investigations.

In return for the alleged bribes, the companies were paid by GSA for repair work that was never done and supplies that were never delivered, according to the sources.

"We expect 50 indictments in the next few months," Mr. Solomon said at a press conference to discuss the latest developments in the broadening scandal that has enveloped the \$5-billion-a-year U.S. agency.

Vincent Alto, a former Justice

Department organized-crime prosecutor hired by Mr. Solomon to help clean up the GSA, said that "similar situations" involving payments for repair or maintenance work never done are being uncovered by GSA's internal investigators in federal buildings in Boston, Texas, New York City, New Jersey and Southern California.

In other developments in the GSA probes, it was learned that:

- Four or five repair and maintenance contractors have agreed to plead guilty to lesser charges of defrauding the government in return for providing U.S. prosecutors here with evidence against GSA officials who received payoffs from the contractors, according to sources.

- The new leadership of the GSA is preparing to fire a number of GSA employees who approved payments for repair work never done. Many of them are expected to be targets of criminal investigations.

- The GSA yesterday canceled all contracts to buy electronic calculators from Government Marketing Services Inc., a Rockville, Md., company described in a Washington Post story last Friday as supplying the GSA with products at higher prices than those available at local retail stores. The company sold GSA \$2.9 million worth of goods last year.

Carter Demands
Trimmed Raises
For the Military

WASHINGTON, Aug. 31 (UPI) — President Carter announced today that he wants to make an example of the country's 2.1 million military personnel by holding their pay raises to 5.5 percent — nearly 3 percent less than recommended.

The pay proposal also covers 1.4 million civilian employees of the government. Stressing his fight against inflation, Mr. Carter said that he was rejecting the recommendation of a federal advisory committee for an increase of 8.4 percent that would have brought government employees more in line with those in private industry.

In a message to Congress, Mr. Carter said that he is submitting the 5.5 percent raise to "allow the federal government to set an example for labor and industry and lead the fight against inflation by example, and not just words alone."

The Federal Pay Comparability Act requires that Mr. Carter adjust, effective on Oct. 1 each year, the salary rates of federal employees. He has urged unions and private employers to try to hold wage increases down to 5.5 percent.

Governor Takes
Lead in Close
Alaska Primary

JUNEAU, Alaska, Aug. 31 (AP) — Late returns from Alaska's eight-day-old primary election have moved Republican Gov. Jay Hammond from a 900-vote deficit into a 36-vote lead over former Gov. Walter Hickel, who also served as interior secretary in the Cabinet of Richard M. Nixon.

Mr. Hammond moved to the front last night following the tabulation of about 6,700 absentee and questioned ballots, but the winner may not be known until mid-September.

In Alaska, ballots of voters who go to polls in the wrong precinct are set aside for counting during the week after the election. The questioned votes are not allowed to be counted in state legislative races, but they are tabulated in statewide contests.

Officials said that there still may be a few scattered absentee ballots in the mails and that a formal review of returns by state canvassing boards probably will result in a change of several hundred votes between candidates.

Harris Pair Pleads Guilty
To Kidnapping of Hearst

OAKLAND, Calif., Aug. 31 (AP) — William and Emily Harris, members of the terrorist Symbionese Liberation Army, today pleaded guilty to a charge of simple kidnapping in the abduction of Patricia Hearst 4½ years ago.

Alameda County Superior Court Judge Stanley Golde accepted the plea and set sentencing for Oct. 3. The original charge of kidnapping with bodily harm, which would have eliminated the possibility of parole upon conviction, was dismissed.

California Cut
In Taxes Signed

SACRAMENTO, Calif., Aug. 31 (WP) — Gov. Edmund Brown Jr. yesterday signed a \$1-billion tax-cut bill to deplete the California treasury's politically embarrassing tax surplus.

The measure, which takes effect in January, contains major breaks for income taxpayers, home sellers, the elderly, welfare recipients and the disabled.

The tax slash was possible because of the state's rapidly growing surplus, expected to approach \$2.2 billion by the end of this fiscal year, even after appropriating \$4.1 billion to local governments affected by the state's tax cuts that were mandated by Proposition 13.

Bar on Gay Teachers Assailed

By Wallace Turner

SAN FRANCISCO, Aug. 31 (NYT) — Battle lines have begun to form over the hottest issue on the California general-election ballot, an initiative that would require school boards to dismiss teachers who are open homosexuals.

The opposition group, called the "No on 6 Committee," from the measure's position on the ballot, has announced that its supporters include the Human Rights Foundation, the Northern California American Civil Liberties Union, teachers' groups, the Los Angeles City Council and many others.

"We're trying to raise \$1 million for our campaign," said Jerry Berg, an attorney and board member of the Human Rights Foundation, and one of four co-chairmen of the opposition group in Northern California. "We intend to wage an all-out campaign to defeat this insidious measure."

The Rev. Donald Semon, pastor of St. Paul's Episcopal Church in Oakland, said at the news conference where Mr. Berg spoke, "If we fail to act to thwart this attempt to make inroads on the way people live, the lives of all of us can be invaded."

Singled Out

Joan-Marie Shelley, vice president of the San Francisco Federation of Teachers and another of the group's co-chairmen, said that teachers objected to being singled out for "a particular invasion of our privacy and a particular invasion of our constitutional rights."

"It would demoralize us by casting suspicion on us uniquely," said Miss Shelley. "The only behavior on the part of a teacher that I view as being a legitimate concern of the state is that behavior which has to do with our professional conduct in the classroom."

The initiative was a product of a campaign led by State Sen. John Briggs of Fullerton — a conservative bastion of conservative Orange County, south of Los Angeles. Rep. Briggs is a Republican-Conservative and was a serious candidate for the Republican nomination for governor at the time he began the campaign against homosexual teachers.

Sen. Briggs made the initiative a plank in his campaign for the gubernatorial nomination. He dropped out of that race just before the June primary.

The initiative provides for filing charges against teachers, teachers' aides, school administrators and counselors "for advocating, soliciting, imposing, encouraging or promoting private or public sexual acts defined in the penal code between persons of the same sex in a manner likely to come to the attention of other employees or students, or publicly and indiscreetly engaging in said actions."

Hearings Required

The initiative sets up requirements for boards to conduct hearings when violations of the rules are charged. If a teacher is dismissed, hearings, written findings and judicial-review rights are set out.

The opposition campaign has been slowly building. Some opponents who are homosexual and are educators have expressed concern that just by being identified as donors of funds in the campaign against the initiative they may open themselves to being later attacked under its provisions, if it becomes law.

Gov. Edmund Brown Jr. said he would oppose the initiative. "I think it's unconstitutional," he said. "I think the courts will throw it out, either before or after the election. It's overkill. It would lead to witch-hunts."

Attorney General Evelle Younger, the Republican nominee for governor, has taken a neutral position.

Veto Suggested

Mr. Carter again suggested two weeks ago that he would veto the appropriations bill, lamenting that he had not done so with last year's version.

For months, the administration has been sending signals that the authorization bill may be vetoed. It will emerge from Congress with lower waterway user fees than Mr. Carter wanted and with easier standards for project authorization.

Environmentalists, led by the National Wildlife Federation and the Environmental Policy Center, think that vetoes are essential first steps if Mr. Carter is to have any success in establishing the water policy he has laid out.

"He has made the new water policy a centerpiece of his domestic legislation," said Brent Blackwelder of the Environmental Policy Center. "Carter will be regarded as the world's biggest pushover if he doesn't veto these bills."

Cosmos-1029 Is Up

MOSCOW, Aug. 31 (UPI) — The Soviet Union has launched Cosmos-1029, Tass reported.



WATER-WALKING PRACTICE — Bill Tabor, 44, who hopes to become the second man to "walk" across the English Channel, practices with his Sidewinder invention on a Dallas lake. U.S. Army Sgt. Walter Robinson "walked" the channel Aug. 25 on a raftlike contraption.

Divisive Issue on California Ballot

Bar on Gay Teachers Assailed

By Wallace Turner

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Nevada Plane Crash
Kills 9 Australians

LAS VEGAS, Aug. 31 (AP) — Nine Australians ending a month-long tour of the United States with a visit to casinos were killed yesterday, when their plane crashed in a field shortly after it took off.

The 10-passenger twin-engine Piper Navajo Chief, flown by Las Vegas Airlines, was the last of three planes that had taken off on a flight to Santa Ana, Calif., with members of the Australian group, an airline spokesman said.

Italy Account Surplus Up

ROME, Aug. 31 (Reuters) — Italy had a provisional current-account surplus in May of 344 billion lire (about \$400 million) after a surplus in April of 118 billion lire and compared with a deficit in May last year of 28.7 billion lire, the Bank of Italy said today.

Study Finds Old Teachers Obstacles

Money Cure Fails U.S. Schools

By Robert Lindsey

LOS ANGELES, Aug. 31 (NYT) — A Rand Corp. study has concluded that a 12-year, multibillion-dollar U.S. program to improve education is a failure and blamed simplistic assumptions that more money and new technology alone could make a difference.

"Neither more money, more information, nor more technical assistance by themselves have consistently improved educational practice," the nonprofit research organization said.

Its findings were contained in the final report of a four-year study of the impact of the Elementary and Secondary Education Act of 1965, which at its inception was hailed as the impetus for a "decade of reform" that would help eliminate illiteracy and improve educational opportunities for minority and poor children. More than \$10 billion has been spent on the effort.

Rand said that the concept of sending large amounts of U.S. aid to local school districts to finance innovative teaching programs sprang from "deep strains of optimism and rationalism in American culture" and attitudes that technology could solve any problem, as exemplified by the nation's campaign to put a man on the moon in the 1960s.

Little Innovation

The report said there had been a few successful innovations, but after evaluating hundreds of such programs instituted by local districts, the researchers said:

"Our findings cast serious doubt on the efficacy of providing seed money to promote educational reform. It does stimulate school districts to adopt innovations. But it assures neither successful implementation nor long-run continuation."

"The net return to the federal investment was the adoption of many innovations, the successful implementation of few and the long-run continuation of still fewer."

Although the availability of U.S. aid started a rush for funds by local schools, few applied much planning or the necessary local commitment to assure success, the report said.

If U.S. educational aid programs aimed at improving the quality of

education are to work in the future, Rand asserted, Washington must develop a far more sophisticated understanding of how education works in local schools and must win the support of teachers, principals and other administrators.

"Change cannot be imposed from outside," the report said.

The study covered four basic kinds of U.S. aid: so-called Title III grants, which provided money for a variety of programs suggested by local school districts; "Right-to-Read" programs giving intensive instruction in reading, and special programs in vocational and bilingual education.

The principal authors of the Rand report were Paul Berman and Milbrey McLaughlin.

"Many projects were started simply for the purpose of receiving federal largesse and, so far as we could tell, without any real intentions to deal with central or even not-so-central local problems," Rand said. "[These] opportunistic projects were poorly implemented and disappeared with the last federal check."

Significantly, even when innovative programs showed promise of success, many local school districts dropped them after the U.S. seed money dried up because of local "organizational and political factors."

Teachers Strike
In New Orleans

NEW ORLEANS, Aug. 31 (AP) — Teachers demanding higher pay went on strike yesterday, disrupting the opening day of school for the city's 91,000 pupils.

The work stoppage, which did not affect private or parochial schools, threatened to spread late yesterday, when school bus drivers and maintenance workers voted 280-6 to strike when their contract runs out tonight.

The United Teachers of New Orleans is demanding an 8-percent raise and improvements in hospitalization insurance. The school board has offered a 4-percent boost. Starting teachers in New Orleans earn \$10,096 a year, the maximum annual pay for a teacher with a doctorate in education is \$15,250.

U.S. Weighs Prosecution
Of Agee Over New Book

WASHINGTON, Aug. 31 (WP) — The Justice Department is investigating whether it is possible to bring espionage charges against former CIA officer Philip Agee — over a new book that is said to identify hundreds of undercover CIA operatives.

The department also is considering the agee act in an effort to stop publication of the book, "Dirty Work: The CIA in Western Europe," scheduled to be published next month by Lyle Stuart Inc. of Secaucus, N.J.

But Justice Department officials emphasized in recent interviews that they have made no decision on whether to proceed against Mr. Agee. It is possible, they said, that legal problems may preclude taking any action.

Last year, the Justice Department decided that it would not prosecute Mr. Agee for secrets disclosed in an earlier book, "Inside the Company: CIA Diary."

In that book, Mr. Agee described his years as a CIA agent in Latin America in the 1960s and identified several other undercover operatives.

Laws Questioned

CIA officials were upset by what they believed was the failure of espionage laws to punish such disclosures. But a knowledgeable source said that an espionage charge against Mr. Agee could be counterproductive because a trial would give him a platform to disclose still more CIA secrets.

Civil action — such as the breach-of-contract suit won by the department against Frank Snepp, another former CIA agent who wrote a book — is complicated because Mr. Agee lives abroad and cannot be reached by regular court proceedings.

The Justice Department earlier moved successfully against Victor Marchetti, co-author with John Marks of "The CIA and the Cult of

Intelligence," to delay publication while a judge reviewed CIA deletions.

But a proposed injunction against Mr. Agee's publisher, is complicated, officials acknowledge, because Lyle Stuart never signed a secrecy agreement to protect CIA material. Thus, the government would have to meet the difficult standard of proving irreparable harm, which the U.S. Supreme Court set in the celebrated case involving The New York Times and the Pentagon Papers.

Publisher Charge Considered

A possible espionage charge against the publisher, perhaps for receiving classified information, also is being considered, an official said. But that would be an unprecedented attack on the press and again would raise problems of possible disclosure of secrets at the trial.

Justice Department officials have been reluctant to discuss the specifics of the Agee case, although some have confirmed that the CIA claims that the book will reveal the identities of many undercover agents.

Such unauthorized disclosure of names could be prosecuted because the identities are classified, officials said.

"More expensive projects were no more likely than less expensive ones to be implemented effectively or to lead to teacher change," Rand said.

"More money did not necessarily purchase those things that mattered; it did not buy, for example, more committed teachers, more effective project directors, more concerned principals, etc."

The report said that programs that employed outside consultants, "packaged management approaches" and "one-shot pre-implementation training programs" seldom produced results, and it emphasized that experienced teachers often were the major deterrents to success.

"The number of years of teaching had negative effects; the longer a teacher had taught, the less likely was the project to achieve its goals or to improve student performance. Teachers with many years on the job were less likely to change their practice or continue using the project methods after the end of federal funding."

Teachers Strike
In New Orleans

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Publisher Charge Considered

Treading Water on Vietnam

Who would have imagined that, barely three years after the U.S. collapse in Vietnam, the victorious communist regime would be pleading for political and economic ties with the United States?

It's plain enough how this turnabout has taken place. Vietnam, having moved swiftly (and rashly) from war with neighboring Cambodia to dangerous friction with Cambodia's powerful patrons in Peking, finds Soviet support ardent but inadequate and hopes that the United States can plug the gap. In addition, the Vietnamese need the sort of large-scale cooperation in reconstruction and development that the United States can best provide.

So it is that Hanoi has dropped its demand that Washington pay "reparations" as a condition of political relations. To a recent congressional delegation searching for (and receiving) the remains of additional U.S. servicemen, it expressed its urgent desire to restore — better, to create — normal ties.

Many in the United States see good reason to respond in kind: some to make amends for past U.S. policy; others to cultivate the "Titos," or national communists, of the world; still others to make a buck. Some people in the United States may even feel Vietnam should be unleashed on the murderous regime in Cambodia.

Yet the Carter administration, which came to office promising early reconciliation with Vietnam, is holding back, for considerations variously understandable and substantive. The understandable consideration is that early normalization with a country with which the United States so recently warred would provoke political resentment — without due diplomatic compensation. The substantive

consideration is that it would complicate U.S. relations with China.

Let us expand on that point. China's opening to Washington, initiated by Mao Tse-tung in 1972, came under review in the struggle over his succession. But during the summer the Chinese apparently decided to press the opening with a vengeance to counter pressures from Moscow. The basic explanation no doubt lies in the arcane mysteries of Chinese politics. Alert U.S. diplomacy, represented by Zbigniew Brzezinski in his trip to Peking last May, may also have played a role.

Certainly China needed no urging to rally other nations to stand up to the Kremlin. This summer, however, China has consummated its relations with Japan with a peace treaty. Party Chairman Hua Kuo-feng has demonstratively circled the Soviet frontier, visiting the independent-minded states of Yugoslavia, Romania and Iran. And Peking moved to expand its scientific, educational and commercial links with the United States — and its military-supply links with the U.S. European allies. Moreover, it has done this without, so far as we know, extracting from the administration diplomatically excessive and politically dangerous concessions on Taiwan.

It is evident that the United States must manage its relations with Peking with care, especially so as not to provoke the Russians unduly, whose cooperation is essential to keeping the peace. We do not happen to think the administration has gone too far with China. What is beyond cavil, though, is that the United States has no interests in Hanoi even faintly of an order with those it has in Peking. That alone is reason to tread water on Vietnam, while the larger question of China is worked out.

THE WASHINGTON POST.

Energy — Breeder Problems

The President has cut his vacation short: small wonder. Next week may be the most important of his administration and he'll need all the head start he can get. Next Tuesday comes the Middle East summit meeting, a major test of his grip on foreign affairs. Then, perhaps by Thursday, will come a major domestic test, Senate action on the administration's energy program. Whatever the President's state of preparation for Camp David, on energy he has not a moment to lose.

Only three months ago, Energy Secretary Schlesinger jubilantly proclaimed "the end of the Thirty Years' War." In an excruciatingly delicate compromise, House and Senate conferees had agreed to deregulate the price of natural gas. His jubilation was understandable. Deregulation, the subject of heated Congressional debate since 1949, is a crucial component of the administration's energy policy. That policy is, in turn, central to the entire Carter program. But now, shooting has broken out again and the whole fragile compromise may shatter.

The new skirmishing involves breeder reactors. These commonly use — and create — plutonium which, in the wrong hands, can easily be turned into fearsome weapons. The administration has wooed wide credit for fervently opposing hasty development of breeder reactors. So imagine the consternation caused last week by Republican Sen. McClure of Idaho. The administration, he said, had agreed to pump up speeding for breeder research in his state in exchange for his support of gas deregulation. To such Senate foes of plutonium proliferation as Democrat Dale Bumpers and Republican Mark

Hatfield, that looked like an outrageously high price for a vote. They promptly threatened to withdraw their support for gas deregulation.

There is no necessary inconsistency in the administration's position. It rightly opposes rushing to build a breeder intended to demonstrate the commercial feasibility of such reactors. It has never opposed long-term research. Indeed, it would be foolish to do so; breeders may by the year 2000 look like important energy sources. Presumably, that is all the administration had in mind when it agreed to increase research funds from \$1.2 to \$1.5 billion. While increasing spending in exchange for a vote might constitute crass politics-as-usual, that is exactly what some critics think this administration needs more of.

But is that in fact all the administration has in mind? Days have passed but it still has offered no assurance that it remains opposed to plutonium proliferation. For the moment, Sens. Hatfield and Bumpers are left to wonder about a seeming surrender of nuclear principle. And others are left to speculate coarsely about the administration's eagerness to trade favors for votes on energy.

The Carter forces cannot afford many such favors; they surely cannot afford to lose a single vote for the gas compromise. They need to reassure senators opposed to the breeder and get on to the main event, the full Senate vote on the gas compromise. How adroitly — and quickly — they do so will tell much about the future of energy but of the Carter administration.

THE NEW YORK TIMES.

Other U.S. Opinion

Iceland Outlook

The fact that the Communists in Iceland have joined with two other political parties to form a coalition government for that island is fraught with peril for the NATO alliance.

Iceland is strategically located insofar as rivalry between NATO and the Warsaw Pact is concerned. It serves as an outpost from which NATO forces can keep tabs on Soviet naval and air traffic. And for that purpose the United States has for years maintained there the Keflavik Air Base.

As long as the air base has been there the Communists have rallied against it, promising to eliminate it and the U.S. presence in Iceland whenever they came to power.

Inasmuch as the Communists are participating in a coalition government they have

not actually come to power in the full meaning of the expression. And Communist leaders acknowledge that a condition for their entrance into the coalition government is that they drop their demand for the withdrawal of the air base.

Thus there is no immediate danger.

But the presence of the Communists within the government carries with it the potential for danger. And it is not unreasonable to think that with a foot in the door the Communists might well use their governing authority to achieve total power in due course.

This change in Iceland's government must be viewed with foreboding by the advocates of freedom.

— From the Atlanta (Ga.) Journal and The Atlanta Constitution.

In the International Edition

Seventy-Five Years Ago

September 1, 1903

VENNA — Under a blue, sunny sky — what is usually called in Britain "queen's weather" — King Edward of England began his first visit to this imperial capital since his accession to the throne of England. The king was met by Emperor Franz Josef, who extended the invitation, as well as members of the emperor's family and entourage. Although the majority of fashionable Viennese society was in the country, the streets of the city were crowded with well-wishers and gaw with hunting.

Fifty Years Ago

September 1, 1928

PHILADELPHIA — New evidence pointing to an amount of graft paid by bootleggers to Philadelphia police officials which "will make the city gasp" was found here this week. District Attorney Monaghan disclosed today. The evidence was unearthed among documents seized in the Banker's Trust Building offices of Max Hoff, who is described as the "Kingpin of the city's bootleggers" by the district attorney. Mr. Monaghan also stated that some of the sums involved were of a scale "almost unheard of."



Defense Veto: Can Carter Make It Stick?

By Tom Wicker

NEW YORK — The most important date now before President Carter may be next Thursday.

On that day, just two days after returning from its recess, the House of Representatives will attempt to override Carter's veto of a \$137 billion weapons procurement bill. It is not too much to say that this is a vote that the administration cannot afford to lose.

This, after all, was the president's first big, visible, controversial veto. It comes at a time when his job performance rating has sunk almost out of sight. If Congress sustains the veto, his reputation for toughness and mastery of his job may be modestly improved; but if Congress overrides, it is likely to be a disaster for Carter.

Direct Challenge

The president's function as commander-in-chief of the armed forces is one of his most important responsibilities, and is so perceived by Congress and the public. When the House put \$2 billion into the procurement bill for a nuclear-powered aircraft carrier that Carter had not asked for and did not want, it was challenging him directly.

That is why, more than in any Congressional vote since those in the Senate on the Panama Canal treaties, Carter cannot afford to lose. Both to Congress and with the public, an override in this case would fix, perhaps permanently, the idea that Carter is a weak president unable to get a program through a Congress controlled by his own party — unable even to act as commander-in-chief without Congress forcing him to kneel under.

Fortunately, the veto can be defended on its own terms, without reference to what it means to Carter's political position. In order to provide the \$2 billion for the nuclear carrier, without increasing the overall size of the procurement bill, the House had to take the following unwise steps:

- Cut \$800 million from \$1 billion that Carter had requested to strengthen U.S. ground forces, particularly those committed to NATO.

- Cut \$200 million from a request for more aircraft, electronic warfare equipment and electronically guided ordnance.

- Eliminate half of Carter's proposed \$1 billion increase in immediate readiness funds for the military forces — weapons repair and ship overhauls, for instance.

- Reduce research and development funds, although the president had requested a 3 percent increase.

Wants Refused

Thus, the House not only is giving Carter what he does not want; it is refusing to give him what he does want. The nuclear-powered carrier, moreover, could not be completed for many years while the requests Carter had made could be fulfilled right away. Building the carrier would effectively negate the president's declared policy of providing the Navy with more but less expensive vessels; he is pledged, for example, to request a conventionally powered carrier, at a cost of only \$1 billion, in next year's budget.

Secretary of Defense Brown defended the veto. The U.S. now has the strongest Navy, Brown said, but "I think we can continue to do so only if we reverse the trend toward smaller and smaller numbers of larger and larger, more-expensive ships."

Besides, he added, the nuclear carrier could only be provided at the expense of "other things more urgently needed for our defense."

Sustain Campaign

But it is not merely for reasons of sound defense policy that the Carter administration is mounting a no-holds-barred campaign to sustain the president's veto. Vice President Mondale and Brown will take leading parts in this effort, as will Carter himself. Already, nine members of about 150 business and civic leaders has been convened in the East Room of the White House to be briefed on the issue, much as such groups were convened into administration advocates on the Panama Canal treaties.

There will be many more such meetings, not least because if Congress can override the president on

such a clear issue, in an area of his most specific responsibility, it can hardly be expected in the fall session to pay much attention to his wishes on such difficult matters as tax reduction, natural gas regulation and civil service reform. Beyond that, Carter's vaunted determination to toughen up his administration and his own performance would be made to look more like products of Gerry Rafshoon's image factory than the real thing.

White House officials say that as many as 30 more "significant" vetoes may be forthcoming if Congressional action continues to shatter Carter's budget goals. Budget Director James McIntyre is said to be arguing, for example, that the highway-mass transit bill would exceed budget plans by \$20 billion over eight years. But vetoes of bills providing such largesse for members' constituencies would be even harder to sustain if the weapons procurement veto is overridden.

And it might be. A nuclear-powered carrier is a nice symbol of national strength and international toughness, both of which politicians like to extol. That it would be more of a symbol than a fact makes little difference in an election year, which is one big reason why the carrier was approved in the first place.

Mullahs Make Case for Shah

By Joseph Kraft

WASHINGTON — Events have done for the Shah of Iran something he himself — with all his power and oil and wealth — could never have done. They have made the case for his regime.

Internal troubles demonstrate that the shah is basically a modernizer whose opposition centers around benighted Islamic fundamentalists. The visit to Iran of China's leader, Hua Kuo-feng, underlines the crucial role of the shah in great power politics. By no mere accident internal problems have come to a head during the past month. For this is the time of Ramadan, the Moslem holy month, when abstinence from food, liquor and amusements is enjoined.

As a protest against the wholesale violation of religious tradition, Islamic fundamentalists have been staging demonstrations, marches and riots in Tehran, Isfahan, Kum, Meshed and many other cities. The protest movement reached its apogee a week ago Saturday with the burning of a movie house in the oil

town of Abadan. Nearly 400 persons died.

The protesters, of course, have a point. The shah has driven his country forward at a fearful pace. Economic growth has averaged around 10 percent annually for the past decade. The population has moved at a dizzying pace out of scattered villages and into Tehran and other cities. Literacy, only 10 percent in 1950, is now 60 percent. Women have been admitted to schools and given access to jobs. Big landholdings, including those used for religious purposes, have been nationalized and redistributed — in some cases to small holders; in others to agribusiness. Huge bazaars, whose storekeepers paid rent to the mullahs, or religious leaders, have been bulldozed to make way for shopping centers with supermarkets which pay rent to the government.

The breakneck pace of development has created terrible dislocations. Tehran, like every other major Iranian city, suffers from acute housing shortages, traffic coog-

tion and frequent power outages. Drug addiction, alcoholism and other signs of maladjustment are common among young people unable to find their feet in the swirl of city life. Inflation and corruption are endemic.

And on top of all those ills, the shah has tried to force his way by means of the armed forces and a large secret police, the so-called Savak. Inevitably resentment to the regime has mushroomed — particularly among the large numbers of Iranian students being educated in Iran and the United States.

Fundamentalists

Some of the opposition in Iran and abroad has a leftwing, even Communist, flavor. But the beating heart of the anti-shah forces in Iran, the leaders that can mobilize masses, are the Islamic fundamentalists — the mullahs who oppose modernization itself, and yearn for a more orthodox, Koranic life free of industry, urbanization and liberated women.

The best the shah can do, in these conditions, is temporize. He can slow the pace of growth, as he did in the present budget. He can make symbolic changes among his ministers — as he did over the weekend in removing Jamshid Amouzegar, the brilliant U.S.-trained technocrat, as prime minister, and replacing him with the more traditional figure of Jaafar Shari-Efami.

But the opposition in Iran cannot take over. It is incapable of managing a modernization process that has now gone too far to be reversed. The overthrow of the monarchy by Iran would probably yield, first, chaos, and then a despotism far more fearful than the relatively soft authoritarian rule currently being asserted.

Iran's Position

The point acquires special force given Iran's position in the world. Pakistan remains in flux, following the arrest and trial of former Prime Minister Zulfikar Ali Bhutto. Prime Minister Morarji Desai, now in his 80s, cannot long rule India, and no successor is visible. Afghanistan, since the leftwing coup last spring, is rapidly being taken in tow by Moscow.

So the shah's regime is the only barrier in an ocean of instability. It provides what little resistance can now be mustered against Russia's traditional push toward the Gulf. That is why Chairman Hua, after trying to encourage resistance to Russia in Romania and Yugoslavia, stopped off in Iran on his way back to China. With far more authority than Western leaders mixed up in Iran's oil and armaments trade can command, the Chinese leader is announcing to the world that the shah comes close to being indispensable.

Letters

Sinai Suggestion

The forthcoming talks at Camp David surely can only result in stalemate unless the parties find some new formula. Egypt and Israel are fundamentally as far apart as ever, yet maybe there is an alternative.

There is available and largely unoccupied land in the area. The Sinai Peninsula itself could become a new homeland for the Palestinians. It has oil and other resources, access on three sides to the sea and a magnificent natural setting.

Arab oil money and Western technology could combine to build the Palestinians a new capital city in central Sinai. If Egypt would cede the territory, the Palestinians would have the new homeland they seek and Israel could keep its defensible borders.

BRIAN CURNOW, Riyadh.

Wired Words

If Soviet eavesdropping equipment turns on at the sound of certain words like "cruise missile" (IHT, Aug. 18), why doesn't the FBI announce a Word of the Week to be used at least once in every long-distance phone call?

Ten million American kids calling home from college and dropping the key phrase — like "ICBM" or "Angola uprising" — or "counterrevolution" — would drive the Soviet interception analysts bananas.

KELLOGG SMITH, Rome.

Long Life Peach

Re "Chinese Past of the Venerable Peach" (IHT, Aug. 17): I am sure Waverley Rott would be interested to know that it is a Chinese custom to steam a sort of bread roll in a peach shape on birthdays. The roll is called "shoutao," meaning "long life peach."

KATHRYN SMITS-CHANG, Paris.

Cult Benefits

Concerning the report of Charles Hillinger on the New Hebrides island of Tana (IHT, Aug. 21) I beg to differ with your headline writer. There was nothing in Mr. Hillinger's story to suggest that the cult of John Frum is "ruining" Tana or her people, except for the persecution of the cult's prophets by the

British and French authorities. In all other respects the effects of waiting for John Frum's treasure-laden ships — the loss of interest in superfluous education, the prohibition of eating cats and dogs, the overthrow of an artificial and no doubt debauched currency system, and the fostering of a firm faith in better days to come — seem to me laudable and salutary.

MYRON EBELL, London.

Nodding?

On Aug. 16, you printed "The U.S. in Midst of an Awakening" by William G. McCoughlin. We have read it and a good time was had by all. So America's "millennarian thrust" is about in reform around Oriental religions, sexual egalitarianism, concern for whales . . . and improved regional garbage collection?

Has it occurred to you that The New York Times was had — not to speak of Brown University? As social scientists we are "reluctant" to say anything very definite, but we think someone made a bet on catching the Times' editors in Midst of a Nodding.

But why you too?

AXEL LEONHUFVUD, EARLENE CRAVER, Jerusalem.

Real Name

Ignazio Silone's real name was Secondo Tranquilli, not Ignazio as in your obituary of him.

As an anti-fascist writer in Switzerland he adopted a pseudonym to protect his family in Italy from persecution.

Silone was a member of P.E.N. for over forty years and latterly one of our international vice-presidents.

PETER ELSTOSS, Madrid.

Herb Blurp

Thanks for the good reading on Jane Brody's herbal tea piece, and Waverley Rott's reply (IHT, Aug. 23). I guess I'll take the medical profession's consensus rather than "Dr. Rott's," as priceless as he is as a plant historian. In any case this kind of journalism is what you need more of.

JOHN PENNINGTON III, Paris.

Democrats Feud Over SALT Talks

By George F. Will

WASHINGTON — Forty-four weeks ago, President Carter told an Iowa audience that there would be a SALT agreement in "a few weeks." Now Paul Warnke has called SALT to the nation's attention again, and his method of doing so illustrates continuing tensions within the Democratic Party.

Warnke, the chief SALT negotiator, says that the Carter administration is considering sending the next SALT agreement to the Senate as an executive agreement rather than as a treaty. Warnke's trial balloon has been shot down and covered with derision. But the administration is — or was — considering an end-run around the Constitution, because ratification of a treaty will require 67 votes, many more than the treaty is apt to get.

It is instructive that the administration fears sending a treaty to a Senate that has a 62-38 Democratic majority. So is the vituperative fund-raising letter recently sent to Democratic activists by John White, the party's national chairman.

White professes alarm about the "radical right" (also "ultra-conservatives," "reactionary conservatives," "extremists") who, he says (his strength is not rhetorical innovation), want to "turn the clock back." He does not deplore Proposition 13, perhaps because that bit of conservatism was passed in a state where Democrats have a substantial advantage in registered voters. Instead, he emphasizes foreign policy issues.

His most heart-felt charge is that conservatives want to "recreate many of the attitudes and policies which led to America's involvement in the Vietnam war." That is, the enemies are "extremists" and "reactionaries" whose attitudes and policies resemble those of the Kennedy and Johnson administrations.

What is interesting about White's letter is not that it is humbug. After all, as a wise man says in George Eliot's novel "Daniel Deronda": "There's a bad style of humbug, but there is also a good style — one that oils the wheels and makes progress possible. If you are to rule men, you must rule them through their own ideas; and I agree with the Archbishop at Naples who had a St. Januarius procession against the plague. It's no use having an Order in Council against popular shallowness. There is no action possible without a little acting."

Appropriate Humbug

White wants to win the hearts and minds and pocketbooks of Democratic activists, and he probably chooses appropriate humbug. But this choice reveals a deeply divided party.

White is most emphatic about needing money to combat opponents of the administration's SALT policies. He says that the "ultra-right" has "already begun" to oppose these policies, so Democrats must elect "progressive" reinforcements.

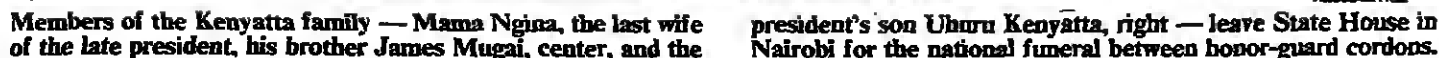
This rhetorical flourish exhausted the patience of Ben Wattenberg, whose patience, truth be told, is easily exhausted. Wattenberg is a Lyndon Johnson-Hubert Humphrey-Henry Jackson Democrat (he has been an aide to all three), and he is chairman of an organization that bravely calls itself the Coalition for a Democratic Majority.

The CDM is composed of moderate Democrats (Sens. Jackson and Daniel Moynihan are honorary chairmen) and the organization's name expresses the pugnacious belief that it, more than the people who shape the administration's foreign policy, represents the party's traditional and "real" majority.

So in a letter that is as biting as the first frost, Wattenberg has reminded White that many respected Democrats (Jackson, Moynihan, Sen. Sam Nunn of Georgia; Admiral Elmo Zumwalt, former chief of naval operations; Eugene Rostow, former undersecretary of state; Paul Nitze, former deputy secretary of defense) are the most important leaders of the growing coalition of people who are alarmed by the administration's SALT policies. Not one of those Democrats is an "ultra-conservative."

There are few precedents for the current situation. Although there is no war, the party in power is divided about fundamentals, especially two: the assessment of the nation's most dangerous adversary, and the wisdom and motives of U.S. foreign policy since 1945. SALT, the centerpiece of administration foreign policy, is in trouble in Congress and in the country for the same reason the energy program, the centerpiece of domestic policy, is in trouble. The Democratic President can not convince enough Democrats.

1978



Kenyatta Buried With Worldwide Honors

Idi Amin at the services by turning away to speak with a British official when Marshal Amin walked toward him.

Ignored Each Other

Marshal Amin had been shaking hands with other guests. He waited some moments to greet Prince Charles, but the heir to the British

[illegible]

NYSE Nationwide Trading Closing Prices August 31[illegible]

50 كذا في الأصل

[illegible]

(Continued on Page 1)

**This announcement appears
as a matter of record only.**

COMISIÓN FEDERAL DE ELECTRICIDAD

(CFE)

U.S. \$ 600,000,000

MEDIUM TERM LOAN

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Agent
MORGAN GUARANTY TRUST COMPANY OF NEW YORK

NEW YORK, August 31 — Cash prices in primary markets as registered today in New York were:

Commodity and unit	Thu	Year Ago
PODS		
Crossed Acacia, lb.	2.47	2.40
Crossed Acacia, lb.	2.40	2.40
TEXTILES		
Printhead 64-30 38's, yd.	0.44	0.44
STEEL		
Steel Billets (P.L.I.), ton	217.00	220.00
Iron 2 Pdy. Phos. ton	216.75	216.75
Steel scrap No. 1, lb.	77.75	77.75
Lead, lb.	0.21	0.21
Copper, lb.	0.21	0.21
Aluminum, lb.	0.21	0.21
Gold N.Y. 100, oz.	306.25	306.25
Silver N.Y. 100, oz.	14.75	14.75
COMMODITY INDEXES		
Money Index (100 Dec. 31, 1971)	100.00	100.00
Aug. 31, 1978	100.00	100.00
1-100	100.00	100.00
1-100	100.00	100.00
1-100	100.00	100.00

NEW YORK FUTURES
August 31, 1978

Open High Low Close Chg.	
MAINE POTATOES	
30,000 lbs. cwt. per lb.	
Nov	15.00 15.00 15.00 15.00 +1.25
Dec	15.00 15.00 15.00 15.00 +1.25
Jan	15.00 15.00 15.00 15.00 +1.25
Feb	15.00 15.00 15.00 15.00 +1.25
Mar	15.00 15.00 15.00 15.00 +1.25
Apr	15.00 15.00 15.00 15.00 +1.25
May	15.00 15.00 15.00 15.00 +1.25
Jun	15.00 15.00 15.00 15.00 +1.25
Jul	15.00 15.00 15.00 15.00 +1.25
Aug	15.00 15.00 15.00 15.00 +1.25
Est. sales: 1,917; sales Wed. 1,555.	
Total open interest Wed. 11,221, off 43 from Tue.	
COFFEE C	
37,500 lbs. cwt. per lb.	
Nov	15.00 15.00 15.00 15.00 +1.25
Dec	15.00 15.00 15.00 15.00 +1.25
Jan	15.00 15.00 15.00 15.00 +1.25
Feb	15.00 15.00 15.00 15.00 +1.25
Mar	15.00 15.00 15.00 15.00 +1.25
Apr	15.00 15.00 15.00 15.00 +1.25
May	15.00 15.00 15.00 15.00 +1.25
Jun	15.00 15.00 15.00 15.00 +1.25
Jul	15.00 15.00 15.00 15.00 +1.25
Aug	15.00 15.00 15.00 15.00 +1.25
Est. sales: 785; sales Wed. 1,448.	
Total open interest Wed. 3,700, off 2 from Tue.	

6 1/2 percent Convertible Debentures due 1988

PIONEER ELECTRONIC CORPORATION
Tokyo, Japan

The undersigned herewith announces that notice has been received from Pioneer Electronic Corporation, by letter dated 24th July, 1978, that it will redeem by prepayment on 20th September, 1978 all of the 6 1/2 percent Convertible Debentures due 1988 outstanding on that date.

Pursuant to the provisions of article 3 of the Trust Deed dated 20th March, 1974 the Debentures will be redeemed at 104 per cent of the principal amount together with the accrued interest from 1st October, 1977 to and inclusive 19th September, 1978 and will cease to bear interest from 20th September, 1978.

Payment of interest and premium and repayment of the principal amount of the Debentures will be made in accordance with the provisions of article 2 of the Trust Deed at

Pierson Haldridge & Pierson N.V. in Amsterdam as Paying Agent, and The Bank of Tokyo Ltd. in Brussels, Paris, London and Düsseldorf and The Bank of Tokyo Trust Company in New York City as Sub-Paying Agents

against surrender of the Debentures with all un-matured coupons attached.

Pursuant to the provisions of article 4 of the Trust Deed Debentures called for redemption may be converted into shares of Common Stock of Pioneer Electronic Corporation up to and including, but not after the close of business on the date set for redemption Surrender of Debentures for the purpose of conversion shall be made at the Paying Agent or any of the Sub-Paying Agents.

No Debentures will be accepted for conversion if presented for that purpose after the close of business on 20th September, 1978.

The current conversion price is yen 780. The closing price of the shares of Common Stock of Pioneer Electronic Corporation on the Tokyo Stock Exchange on 24th July, 1978 was yen 1070 and the high and low closing prices in 1978 through 24th July were yen 1040 and yen 1210 respectively.

Amsterdam, 7th August, 1978
N.Z. Voorburgweg 320-328

The Trustee
Amsterdamsche Trustee's Kantoor B.V.

IN THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK

SEBASTIAN AND EXCHANGE COMMISSION, Plaintiff,
-vs-
ROBERT L. VESCO, et al., Defendants.

NOTICE OF HEARING ON SETTLEMENT OF CLAIMS AGAINST INTERNATIONAL CONTROLS CORP. BY I.O.S. LTD. AND RELATED COMPANIES

THE PERSONS WITH CLAIMS, INCLUDING CROSS-CLAIMS, COUNTERCLAIMS, THIRD PARTY CLAIMS AND ANY OTHER CLAIMS-OVER AGAINST INTERNATIONAL CONTROLS CORP. ARISING FROM ITS INVOLVEMENT WITH I.O.S. LTD.

International Controls Corp. ("the Company") has entered into a Settlement Agreement as of April 24, 1978 with I.O.S. Ltd., Transnational Financial Services, Limited; Fund of Funds, Limited; P.O.F. Proprietary Funds Fund, Ltd. (collectively known as "Settlement Parties"); and the respective liquidators, administrators and trustees of the I.O.S. Group. Under the Settlement Agreement, the Company has agreed to provide the Settlement Parties with releases and covenants not to sue. It has also agreed to provide the Settlement Parties with releases and covenants not to sue. It has also agreed to provide the Settlement Parties with releases and covenants not to sue.

The claims being settled arise in connection with the Company's involvement with I.O.S. Ltd. during the period from approximately June 1968 through approximately January 1973. They relate primarily to allegations that Robert L. Vesco and the Company controlled, abused the assets of and misled the I.O.S. Group and other entities related to I.O.S. Ltd. It has been asserted that the claims amount to many times the present assets of the Company.

By this settlement, the Company seeks to resolve all such claims (including claims asserted in an action entitled *Greenberg v. Vesco* and by the Internal Revenue Service) which might materially adversely affect the Company's financial position.

This notice is intended to provide persons who have claims, including cross-claims, third party claims and any other claims against the Company with an opportunity to assert such claims and object to the settlement. Failure to do so may be taken by the Court as an equitable bar or otherwise in defense of any such assertion or objection in the future.

A hearing will be held on 20th September 1978 to determine whether the Settlement Agreement should be approved. The hearing will be held from 10:00 a.m. to 1:00 p.m. at the United States District Court for the Southern District of New York, New York, New York at 4:00 P.M. on September 20, 1978 to determine whether the Settlement Agreement should be approved.

By Order of the Court
/s/ Charles E. Stewart, Jr.
United States District Judge

Dated: New York, New York
July 11, 1978

U.S. Commodity Prices

SUGAR NO. 11	12,000 lbs. cwt. per lb.
Nov	2.21 2.26 2.35
Dec	2.21 2.26 2.35
Jan	2.21 2.26 2.35
Feb	2.21 2.26 2.35
Mar	2.21 2.26 2.35
Apr	2.21 2.26 2.35
May	2.21 2.26 2.35
Jun	2.21 2.26 2.35
Jul	2.21 2.26 2.35
Aug	2.21 2.26 2.35
Est. sales: 7,850; sales Wed. 2,540.	
Total open interest Wed. 34,205, up 190 from Tue.	

COPPER	25,000 lbs. cwt. per lb.
Nov	62.00 62.00 62.00 +0.75
Dec	62.00 62.00 62.00 +0.75
Jan	62.00 62.00 62.00 +0.75
Feb	62.00 62.00 62.00 +0.75
Mar	62.00 62.00 62.00 +0.75
Apr	62.00 62.00 62.00 +0.75
May	62.00 62.00 62.00 +0.75
Jun	62.00 62.00 62.00 +0.75
Jul	62.00 62.00 62.00 +0.75
Aug	62.00 62.00 62.00 +0.75
Est. sales: 8,200; sales Wed. 5,553.	
Total open interest Wed. 50,844, off 2,387 from Tue.	

N.Y. SILVER	5,000 oz. cwt. per lb.
Nov	50.00 50.00 50.00 +0.80
Dec	50.00 50.00 50.00 +0.80
Jan	50.00 50.00 50.00 +0.80
Feb	50.00 50.00 50.00 +0.80
Mar	50.00 50.00 50.00 +0.80
Apr	50.00 50.00 50.00 +0.80
May	50.00 50.00 50.00 +0.80
Jun	50.00 50.00 50.00 +0.80
Jul	50.00 50.00 50.00 +0.80
Aug	50.00 50.00 50.00 +0.80
Est. sales: 1,430; sales Wed. 1,440.	
Total open interest Wed. 5,408, up 208 from Tue.	

ORANGE JUICE	15,000 lbs. cwt. per lb.
Nov	12.00 12.00 12.00 +1.00
Dec	12.00 12.00 12.00 +1.00
Jan	12.00 12.00 12.00 +1.00
Feb	12.00 12.00 12.00 +1.00
Mar	12.00 12.00 12.00 +1.00
Apr	12.00 12.00 12.00 +1.00
May	12.00 12.00 12.00 +1.00
Jun	12.00 12.00 12.00 +1.00
Jul	12.00 12.00 12.00 +1.00
Aug	12.00 12.00 12.00 +1.00
Est. sales: 1,400; sales Wed. 790.	
Total open interest Wed. 13,745, off 170 from Tue.	

COTTON, No. 2	50,000 lbs. cwt. per lb.
Nov	65.00 65.00 65.00 +0.18
Dec	65.00 65.00 65.00 +0.18
Jan	65.00 65.00 65.00 +0.18
Feb	65.00 65.00 65.00 +0.18
Mar	65.00 65.00 65.00 +0.18
Apr	65.00 65.00 65.00 +0.18
May	65.00 65.00 65.00 +0.18
Jun	65.00 65.00 65.00 +0.18
Jul	65.00 65.00 65.00 +0.18
Aug	65.00 65.00 65.00 +0.18
Est. sales: 4,250; sales Wed. 4,785.	
Total open interest Wed. 32,844, up 475 from Tue.	

CHICAGO FUTURES

Open High Low Close Chg.	
WHEAT	
5,000 bu. cwt. per bu.	
Nov	3.25 3.25 3.25 3.25 +0.04
Dec	3.25 3.25 3.25 3.25 +0.04
Jan	3.25 3.25 3.25 3.25 +0.04
Feb	3.25 3.25 3.25 3.25 +0.04
Mar	3.25 3.25 3.25 3.25 +0.04
Apr	3.25 3.25 3.25 3.25 +0.04
May	3.25 3.25 3.25 3.25 +0.04
Jun	3.25 3.25 3.25 3.25 +0.04
Jul	3.25 3.25 3.25 3.25 +0.04
Aug	3.25 3.25 3.25 3.25 +0.04
Est. sales: 2,453.	
Total open interest Wed. 24,535, up 993 from Tue.	

CORN	5,000 bu. cwt. per bu.
Nov	2.15 2.15 2.15 2.15 +0.14
Dec	2.15 2.15 2.15 2.15 +0.14
Jan	2.15 2.15 2.15 2.15 +0.14
Feb	2.15 2.15 2.15 2.15 +0.14
Mar	2.15 2.15 2.15 2.15 +0.14
Apr	2.15 2.15 2.15 2.15 +0.14
May	2.15 2.15 2.15 2.15 +0.14
Jun	2.15 2.15 2.15 2.15 +0.14
Jul	2.15 2.15 2.15 2.15 +0.14
Aug	2.15 2.15 2.15 2.15 +0.14
Est. sales: 2,781.	
Total open interest Wed. 10,742, off 2-718 from Tue.	

SOYBEANS	5,000 bu. cwt. per bu.
Nov	6.50 6.50 6.50 6.50 +0.04
Dec	6.50 6.50 6.50 6.50 +0.04
Jan	6.50 6.50 6.50 6.50 +0.04
Feb	6.50 6.50 6.50 6.50 +0.04
Mar	6.50 6.50 6.50 6.50 +0.04
Apr	6.50 6.50 6.50 6.50 +0.04
May	6.50 6.50 6.50 6.50 +0.04
Jun	6.50 6.50 6.50 6.50 +0.04
Jul	6.50 6.50 6.50 6.50 +0.04
Aug	6.50 6.50 6.50 6.50 +0.04
Est. sales: 2,453.	
Total open interest Wed. 24,535, up 993 from Tue.	

SOYBEAN MEAL	10,000 lbs. cwt. per lb.
Nov	16.00 16.00 16.00 16.00 +1.00
Dec	16.00 16.00 16.00 16.00 +1.00
Jan	16.00 16.00 16.00 16.00 +1.00
Feb	16.00 16.00 16.00 16.00 +1.00
Mar	16.00 16.00 16.00 16.00 +1.00
Apr	16.00 16.00 16.00 16.00 +1.00
May	16.00 16.00 16.00 16.00 +1.00
Jun	16.00 16.00 16.00 16.00 +1.00
Jul	16.00 16.00 16.00 16.00 +1.00
Aug	16.00 16.00 16.00 16.00 +1.00
Est. sales: 2,453.	
Total open interest Wed. 47,264, off 418 from Tue.	

OATS	5,000 bu. cwt. per bu.
Nov	1.25 1.25 1.25 1.25 +0.04
Dec	1.25 1.25 1.25 1.25 +0.04
Jan	1.25 1.25 1.25 1.25 +0.04
Feb	1.25 1.25 1.25 1.25 +0.04
Mar	1.25 1.25 1.25 1.25 +0.04
Apr	1.25 1.25 1.25 1.25 +0.04
May	1.25 1.25 1.25 1.25 +0.04
Jun	1.25 1.25 1.25 1.25 +0.04
Jul	1.25 1.25 1.25 1.25 +0.04
Aug	1.25 1.25 1.25 1.25 +0.04
Est. sales: 1,747.	
Total open interest Wed. 8,276, up 138 from Tue.	

LIVE BEEF CATTLE	40,000 lbs. cwt. per lb.
Nov	53.00 53.00 53.00 53.00 +0.45
Dec	53.00 53.00 53.00 53.00 +0.45
Jan	53.00 53.00 53.00 53.00 +0.45
Feb	53.00 53.00 53.00 53.00 +0.45
Mar	53.00 53.00 53.00 53.00 +0.45
Apr	53.00 53.00 53.00 53.00 +0.45
May	53.00 53.00 53.00 53.00 +0.45
Jun	53.00 53.00 53.00 53.00 +0.45
Jul	53.00 53.00 53.00 53.00 +0.45
Aug	53.00 53.00 53.00 53.00 +0.45
Est. sales: 1,747.	
Total open interest Wed. 8,276, up 138 from Tue.	

U.S. TREASURY BILLS	1 million bills, 91 days
Nov	92.50 92.50 92.50 92.50 +0.05
Dec	92.50 92.50 92.50 92.50 +0.05
Jan	92.50 92.50 92.50 92.50 +0.05
Feb	92.50 92.50 92.50 92.50 +0.05
Mar	92.50 92.50 92.50 92.50 +0.05
Apr	92.50 92.50 92.50 92.50 +0.05
May	92.50 92.50 92.50 92.50 +0.05
Jun	92.50 92.50 92.50 92.50 +0.05
Jul	92.50 92.50 92.50 92.50 +0.05
Aug	92.50 92.50 92.50 92.50 +0.05
Est. sales: 3,045; sales Wed. 4,855.	
Total open interest Wed. 34,201, up 781 from Tue.	

GNMA CERTIFICATES	1 million bills, 91 days
Nov	92.50 92.50 92.50 92.50 +0.05
Dec	92.50 92.50 92.50 92.50 +0.05
Jan	92.50 92.50 92.50 92.50 +0.05
Feb	92.50 92.50 92.50 92.50 +0.05
Mar	92.50 92.50 92.50 92.50 +0.05
Apr	92.50 92.50 92.50 92.50 +0.05
May	92.50 92.50 92.50 92.50 +0.05
Jun	92.50 92.50 92.50 92.50 +0.05
Jul	92.50 92.50 92.50 92.50 +0.05
Aug	92.50 92.50 92.50 92.50 +0.05
Est. sales: 3,045; sales Wed. 4,855.	
Total open interest Wed. 34,201, up 781 from Tue.	

U.S. TREASURY BILLS	1 million bills, 91 days
Nov	92.50 92.50 92.50 92.50 +0.05
Dec	92.50 92.50 92.50 92.50 +0.05
Jan	92.50 92.50 92.50 92.50 +0.05
Feb	92.50 92.50 92.50 92.50 +0.05
Mar	92.50 92.50 92.50 92.50 +0.05
Apr	92.50 92.50 92.50 92.50 +0.05
May	92.50 92.50 92.50 92.50 +0.05
Jun	92.50 92.50 92.50 92.50 +0.05
Jul	92.50 92.50 92.50 92.50 +0.05
Aug	92.50 92.50 92.50 92.50 +0.05
Est. sales: 3,045; sales Wed. 4,855.	
Total open interest Wed. 34,201, up 781 from Tue.	

72 Civ. 5881 (CES)

Defendants.

**SETTLEMENT OF CLAIMS AGAINST
CONTROLS CORP. BY I.O.S., LTD.
ATED COMPANIES**

12 Month Stock	Sls.	Clos	Ch'ge	12 Month Stock	Sls.	Clos	Ch'ge	12 Month Stock	Sls.	Clos	Ch'ge
High Low Div. In & Yld. P/E 100s. High Low Quot.		Prev	Close	High Low Div. In & Yld. P/E 100s. High Low Quot.		Prev	Close	High Low Div. In & Yld. P/E 100s. High Low Quot.		Prev	Close

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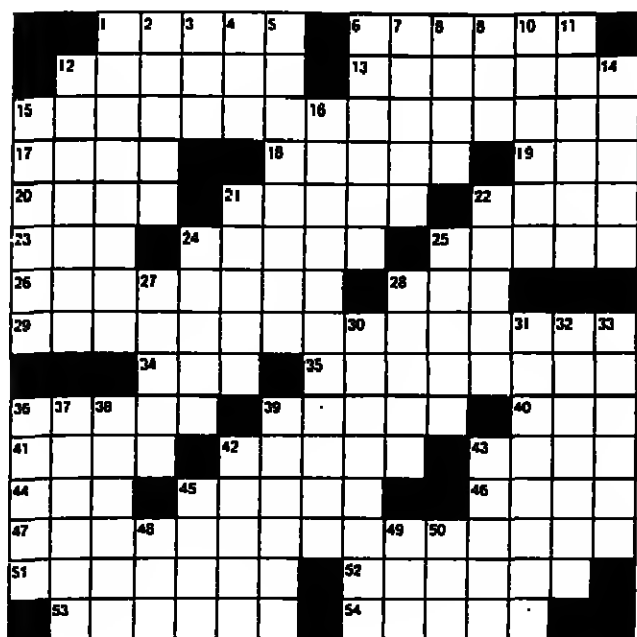
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By Eugene T. Maleska



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12 In vain
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15 Retired
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18 Put up
19 See follower
20 "This one's..."
21 Saline solution
22 Impart
23 Waterway
24 Made meadow
25 Tricks
26 A place
28 Photo's creation
29 Go — (irritate)
30 Millard
35 Ear
36 Gem feature
38 Fine violin
40 Implant
41 In — way
42 Unmoving
43 Cincture

DOWN

44 Manage
45 Corrida beasts
46 "Dies —"
47 Omen
48 Expunged
51 — heavy
52 (high-gear)
53 Two tustra
54 Rub out
1 Robots
2 Furner's item
3 Bklyn. campus
4 Height: Prefix
5 Dwindle
6 Attach
7 Iceing
8 Pause
9 Sup
10 Draws out
11 Inexorable
12 Making jokes
13 Jimmy Stewart
14 Where Bradley
15 U. is located

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21 Official
22 Peif
23 "Danger: —"
24 Work
25 Strict
26 On the payroll
27 Piano part
28 — discuss
31 Of geese
32 Where Hekla
33 Snared mackerel
34 Electrical unit
35 Walk
36 Saddle part
37 Walk triumphantly
42 Planted
43 Japanese lutes
44 "Bye"
45 — room
46 Where Aaron
47 died
50 Timetable abbr.

WEATHER

C F			C F			
ALGARVE	24	75	CLOUDY	MAJORID	22	90
AMSTERDAM	15	59	CLOUDY	MAJAI	27	81
ANICARA	24	75	FAIR	MILAN	23	73
ATHENS	27	81	FAIR	MONTREAL	26	76
BEIRUT	28	82	FAIR	MOSCOW	24	75
BELOAROE	12	54	RAIN	MUNICH	19	66
BERLIN	15	59	CLOUDY	NEW YORK	24	75
BRUSSELS	13	55	SHOWERS	NICE	25	77
BUCHAREST	26	79	CLOUDY	OSLO	14	57
BUDAPEST	16	61	CLOUDY	PARIS	15	59
CASABLANCA	25	77	CLOUDY	PRAGUE	12	54
COPENHAGEN	15	59	FAIR	ROME	25	77
COSTA DEL SOL	28	82	CLOUDY	SOFIA	24	75
DUBLIN	14	57	RAIN	STOCKHOLM	13	55
EDINBURGH	14	57	CLOUDY	TEHRAN	23	91
FLORENCE	23	73	CLOUDY	TEL AVIV	30	86
FRANKFURT	13	55	CLOUDY	TOKYO	25	77
GENEVA	14	57	CLOUDY	VIENNA	13	55
HELSINKI	14	57	CLOUDY	WARSAW	12	54
ISTANBUL	24	75	CLOUDY	WASHINGTON	77	81
LAS PALMAS	27	81	FAIR	ZURICH	11	52
LONDON	13	55	RAIN			
LOS ANGELES	19	66	CLOUDY			

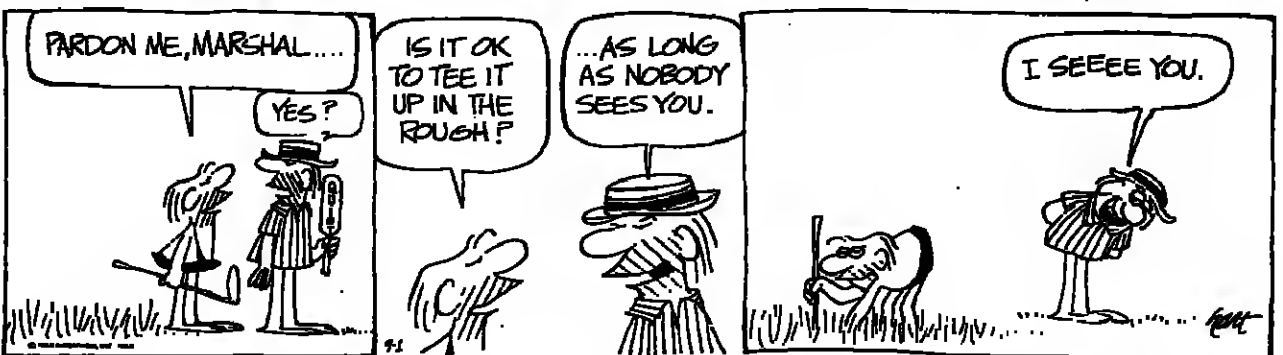
(Yesterday's readings U.S. and Canada at 7A)

(Yesterday's readings U.S. and Canada at 1700 GMT; all others at 1200 GMT.)

PEANUTS



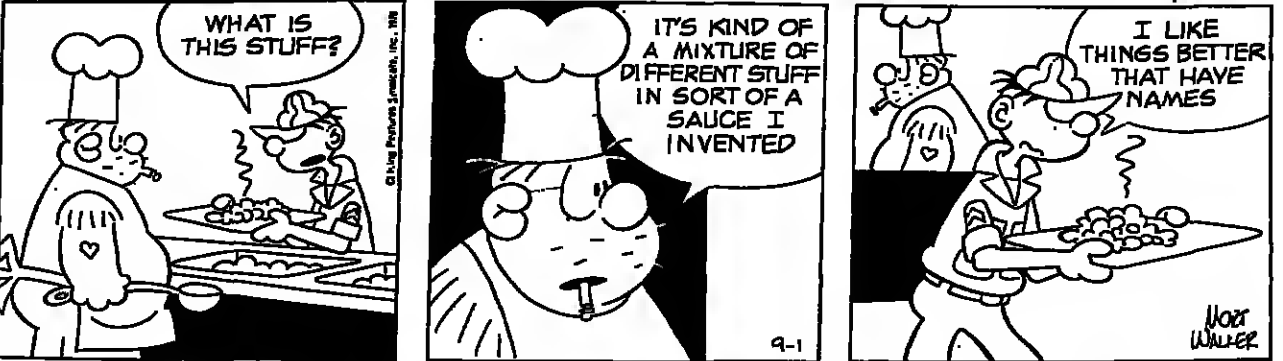
B. C.



BLONDIE



BEETLEBAILEY



ANDY CAPP



WIZARD OF ID



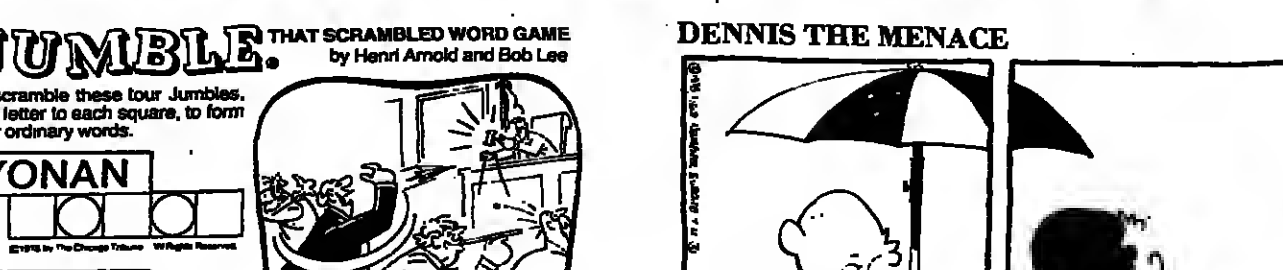
REX MORGAN M.D.



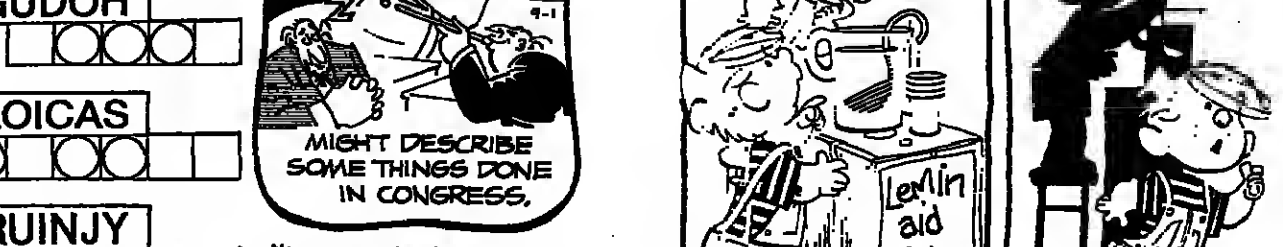
RIP KIRBY



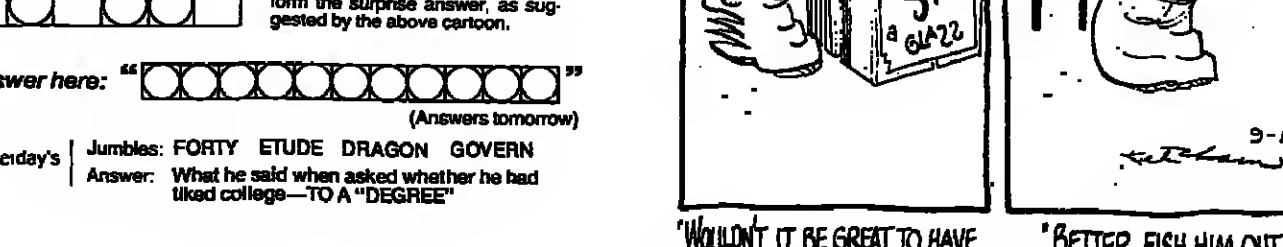
JUMBLE



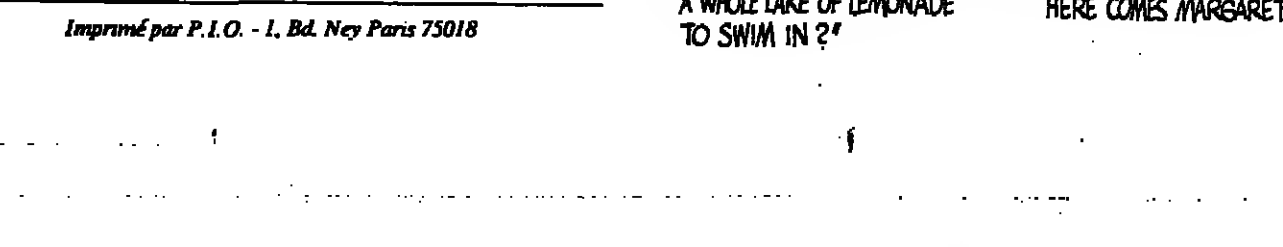
YONAN



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RUINJY



BOOKS

IN SEARCH OF HISTORY

A Personal Adventure

By Theodore H. White. Harper & Row. 361 pp. \$12.95.

Reviewed by Christopher Lehmann-Haupt

WHY, after monumentalizing the four previous presidential elections, did Theodore H. White not write "The Making of the President — 1976"? Because, as he explains in the Prologue of "In Search of History: A Personal Adventure" — in 1976 he underwent a kind of identity crisis. He could no longer relate himself to the events of the primary campaigns, which thus refused to fall into a pattern that he could understand in the form of a story that would approximate history. Something was missing, perhaps some element in his own thinking. So he decided to go back to the beginning, back to his origins as the child of a Jewish ghetto in Boston, and work his way forward through his poverty-stricken youth, through his college years at Harvard, through his exciting career as reporter in China, Europe, and America, up to the death of his hero, John Kennedy, whose passing for White marked the end of something profound in American history. Perhaps, by doing all this he would "explain himself to himself," and thus be able to comprehend once again the present.

Apparently this exercise worked for him... to a degree. If he does not at the end of this book arrive at an understanding of the present, at least he comprehends his incomprehension, and feels at liberty, if not to move forward to "The Making of the President — 1980," at least to write a sequel to "In Search of History," which will "necessarily have to go back in time and overlap, because it (will) be about how much reach for power, which means the politics." But whether it works for the reader is another question, for somewhere in this public autobiography White seems to lose his way.

The first half is extremely strong — the sections covering his youth, his education, and his adventures in China. Here personal experience very nearly equals history, as White, on a personal pilgrimage to decide whether Chiang Kai-shek or Mao Tse-tung represented the future of China, embodies the question that America had eventually to decide. Here, in contests witnessed by White at first hand between Chiang and Gen. Joseph Stilwell, between Stilwell and Gen. Claire Chennault, and between Chiang and Chou En-lai, history seems to boil down to the behavior of colorful personalities. And here the way White himself performs seems to make a difference to history, for had he been successful in persuading such people as his boss at Time, Inc., Henry Luce, and President Roosevelt's diplomatic representative, Gen. Patrick Hurley, that the future of China lay with Mao and not Chiang, then who can say to what extent later history would have been altered?

But somehow in the second half, the momentum of White's narrative falters. This isn't to say that vivid close-up portraits of historical figures don't continue to appear. There are particularly revealing interviews with Jean Monnet, Dwight Eisenhower, and John Kennedy, all of whom the author admires enormously, and White's talk with Jacqueline Kennedy right after her husband's assassination, gives the book a powerful and moving climax. Nor, to reverse the coin, do the faults of the book's first half go any more pronounced in the second, throughout White inserts short interludes which he refers to himself in the third person, and somewhere do these passages stop reminding us by their lack of irony.

This, it seems to me, can be read in various ways — as an attack of old-fashionedism or a vision of Apocalypse, as a simple loss of faith or a failure to recognize that the black experience cannot be equated with the immigrant one and that great equal opportunity, not just liberal programs, blacks too may grope for White's ideal of America. But however one reads this conclusion, it provides comfort for the reader. And it is somewhat less than satisfying as an explanation of the author "to himself."

Christopher Lehmann-Haupt is a book reviewer for The New York Times.

Solution to Thursday's Puzzle

GAIS OIARIA MESIA
ALTO ENDED OODE
DEER PELLEE OOLE
SPINZIOA OORLES
SCHEARS FIMMER
TOMATO BOSS ELLI
ALIAS RAVITY YETIN
MID MAGE EYENOW
PICO AVIIV KAWAWA
BURSTING OATIS
ABOUT MASSAGE
SOLIA CISCIO RIVIA
EODAN ALPION EISTIN
THE DOWERS BILLY

Solution to Wednesday's Puzzle

DIAM SWEEP SLAP
PARA VINTA TABU
SHEANODAHNIVAT
SADDLES ELAYE
FEIN OVERE
CHUBST HEAR GIAN
ORIAL ELLA ESO
WILLIAMPAULKRIEN
LAD NISAT SERME
SHIV ORAY SIBETTY
SPRAY ARREBES
LOODEMOUNTAIN
APIS ROISIT ABAB
DEAR NOISES BIEET

The International Herald Tribune inadvertently published the wrong solution to Wednesday's crossword puzzle. Above are solutions to the Wednesday and Thursday puzzles. The IHT regrets the error.

BRIDGE

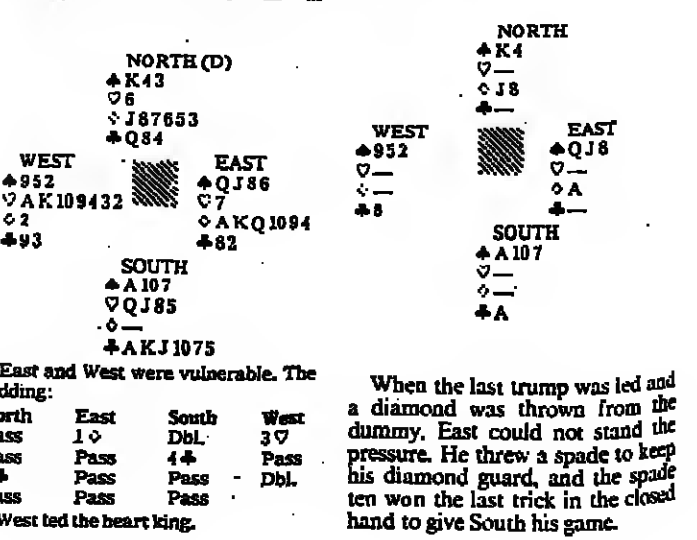
By Alan Truscott

On the hand shown East opened with one diamond, South made a takeout double and West jumped to three hearts. This is a very rare action showing great strength in hearts and no side values. South continued to four clubs. North ruffed to five clubs and West judged to double.

A trump lead would have been best against five clubs double, but West made the more normal lead of the heart king. This was helpful to declarer, but even so it was far from clear that the contract would succeed after West shifted to his singleton diamond at the second trick.

South ruffed and led the heart queen, throwing a spade from dummy when West played low. East ruffed and led his remaining trump. On the surface, South was now a trick short. But he had a resource.

South won in dummy, and crossed-ruffed to the red suits to reach this position:



No Financial Risk for 1984 Games

IOC Votes to Accept Compromise With L.A.

By Samuel Abr
LAUSANNE, Aug. 31 (IHT) — The executive board of the International Olympic Committee voted here today to accept a compromise proposal allowing Los Angeles to stage the Summer Olympic Games in 1984 without financial risk.

The decision, which was said to be unanimous on the nine-member board, followed months of bargaining over the issue of financial responsibility for the games. In the end, the IOC appeared to give way.

As expected, the executive board also voted to submit the final decision to the IOC's 89 members around the world. The mail ballot, which will close Oct. 7, will require a simple majority of 45 votes to approve the compromise agreement.

Little opposition among the members is expected to the board's recommendation of approval.

"We've got nine 'yes' votes already," Lord Killanin, the IOC president, said at a news conference tonight, referring to the executive board. "Make that 11," he added.

With a smile, "including the two United States members."

Whether the agreement will find such swift acceptance in the Los Angeles city council, which also must approve it, was uncertain.

No Los Angeles official attended the executive board's talks here this week, at which the United States Olympic Committee presented the plan for the city.

The president of the U.S. Olympic Committee, Robert Kane, said that he expected no obstacles in the Los Angeles council, some of

whose members have campaigned strongly against the games.

"What Los Angeles was worrying about was financial risk," Kane said, "and now that the financial risk is protected against, I do not believe they will be anything but overjoyed at having the Olympics."

After almost nine months of negotiations with officials of Los Angeles, the only bidder for the games, Lord Killanin was less committed.

"Thank God I'm not the mayor of any city nor the member of any

city council," he said when asked how he thought Los Angeles would react. Kane added that the proposal would be given to the city council immediately.

The agreement calls for the U.S. Olympic Committee and a still-unformed Olympic Organizing Committee to assume all financial obligations, thus relieving Los Angeles of any risk, as it has insisted.

As the proposed IOC contract with Los Angeles states, "... the city of Los Angeles shall be neither responsible nor liable for any obligations incurred in the organization or conduct of the games."

The inclusion of this phrase is what the long fight has been about, with the IOC insisting that its rules had to be followed, including Rule 4, which says that the National Olympic Committee and the host city must share financial responsibility.

Lord Killanin was questioned on this point during and after the news conference.

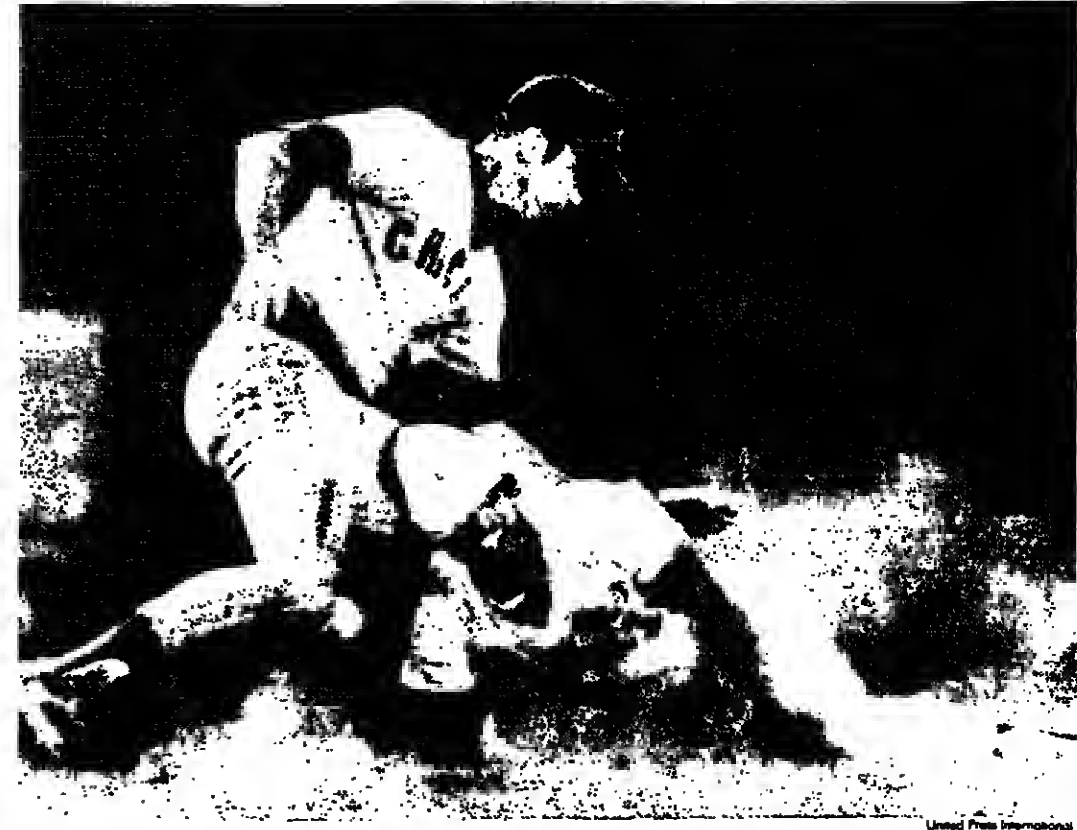
Rule Unchanged

"Rule 4 stands," he said. "The reason Los Angeles was not turned down in Athens (at the IOC annual meeting in May) was that it proposed an insurance indemnification plan to protect itself against financial liability."

"That plan has fallen through, but we accept that the indemnification represented by the United States Olympic Committee plan conforms with Rule 4."

Lord Killanin was asked if he thought the plan putting the financial risk on business interests, rather than on Los Angeles taxpayers, might set a precedent.

"I think it is a possibility this will set a pattern for the future," he replied.



Atlanta's Jerry Royster is safe at 3d as Chicago's Dave Johnson takes throw.

Rice Hits 36th Homer

Red Sox Split With Blue Jays

BOSTON, Aug. 31 (UPI) — Butch Hobson drove in two runs and Dennis Eckersley scattered five hits last night to lead the Boston Red Sox to a 2-1 victory over the Toronto Blue Jays in the first game of a doubleheader.

In gaining his 16th triumph against five losses and six straight victories for the Red Sox, Eckersley struck out nine and walked none. He also raised his Fenway Park record to 9-0 this season.

After Toronto's John Mayberry cracked a solo home run, his 21st, in the second inning, Boston scored in the fifth when George Scott tripled and scored on Hobson's grounder to short, tying the score 1-1.

In the sixth inning, Boston took the lead for good, 2-1, when Garry Hancock drew a two-out walk. Scott singled and Hobson doubled off Toronto starter and loser Don Kessinger, 3-2, to score Hancock.

Kane's second game, Bob Bailor got four hits, including a two-run eighth-inning double to offset Jim Rice's 35th and 36th home runs and cap a 7-6 victory by Toronto that salvaged a split with the Red Sox.

Royals 12, White Sox 0
At Kansas City, Darrell Porter, who was 4-for-4, knocked in four runs and Pete LaCock had three RBIs to back the five-hit pitching of Larry Gura, leading Kansas City to a 12-0 trouncing of Chicago.

Porter's RBI single capped a six-run uprising for Kansas City in the second inning, when the Royals sent 11 men to the plate to knock out loser Francisco Barrios, 8-12.

Yankees 5, Orioles 4
At Baltimore, Cliff Johnson's seventh-inning single scored Lou Piniella with the winning run that gave Ron Guidry his 19th victory and New York its sixth straight triumph, a 5-4 verdict over Baltimore.

Guidry, 19-2, was removed from the game when he was struck by a bat that slipped from the hands of hitter Ken Singleton in the eighth. Guidry suffered a bruise on his left ankle and was taken to a hospital for X-rays.

Braves 6, Cubs 2
In the National League, at Atlanta, rookie left-hander Larry McWilliams pitched an eight-inning win for his seventh game without a loss and Atlanta took its third straight from Chicago, 6-2. McWilliams, 7-0, struck out three, walked two and yielded only a fourth-inning two-run homer by Dave Kingman to earn his second complete game.

Dodgers 4, Expos 3
At Los Angeles, Steve Garvey singled with two out in the bottom of the ninth to score Bill North with the winning run and give Los Angeles a 4-3 victory over Montreal. With two out, North singled and advanced to second on pitcher Wayne Twitchell's throwing error on an attempted pickoff. After

Smith was walked intentionally, Garvey lined a 2-1 pitch in center field for the game-winning hit. The victory went to reliever Charlie Hough, 5-3, while Twitchell, 4-12, was the loser.

Cardinals 4, Astros 2
At Houston, Bob Forsch pitched a four-hitter to snap his personal nine-game losing streak, while Jerry Mumphrey homered to cap a four-run sixth inning that carried St. Louis to a 4-2 victory over Houston.

Forsch, 10-15, who pitched a no-hitter in the first month of the season, had not won since June 30. He struck out five, walked three and recorded his seventh complete game by retiring 14 batters in a row over one stretch.

Phillies 6, Padres 5
At San Diego, Garry Maddox, who tied the game with a two-out single in the seventh, doubled home Richie Hebner in the ninth to provide Philadelphia with its fifth straight win, a 6-5 decision over San Diego. Warren Brusstar, 4-2, picked up the victory in relief for Philadelphia, which increased its lead in the National League East to five games over Pittsburgh.

Mets 10, Giants 4
At San Francisco, Lee Mazzilli paced a 16-hit attack with a home run, three singles and three RBIs and Willie Montanez added a three-run homer to lead New York to a 10-4 rout over San Francisco.

Track Championships at Prague

New Mark Set in Women's 400 Meters

From Wire Dispatches
PRAGUE, Aug. 31 — Marita Koch, a 21-year-old medical student from East Germany, shattered her own world record and won the women's 400 meters in 48.94 seconds tonight, in another day of East German triumphs at the European track and field championships.

In another outstanding performance, Sara Simoni of Italy equalled her world high jump record of 2.01 meters set a month ago in Brescia, lost Ackermann of East Germany took the silver medal and Britte Holzapfel of West Germany won the bronze.

2 More Gold
The East Germans took another two golds with Olat Beyer, whose upturn kick on the home stretch gave him a 7:43.83 triumph in the men's 800 meters, and Evelyn Jahl's

66.98 meters in the women's discus. Koch became the first woman to cover the 400 meters in less than 49 seconds. She had come close when she clocked 49.02 seconds at Potsdam on Aug. 19 and made it in a stunning effort here.

Fellow East German Christine Brehmer was a distant second in 50.38 and Irina Szewinska of Poland was third in 50.40. They never threatened the winner.

"I thought I could win but I don't like to take any chances so I started strong and I kept on going as fast as I could," Koch said. "My only concern was to win but the world record is surely another great reward and makes me even happier."

Concentrated Energy
Koch had skipped the 100- and 200-meter races, on which she had the second fastest times of the year

behind teammate Marlies Goehr, to concentrate on the 400.

In a major upset in men's competition, Beyer, a 19-year-old student of mathematics at Potsdam, outprinted heavy favorites Steve Ovett and Sebastian Coe of Britain to win the men's 800 meters in an excellent time, less than half a second off the world record of 1:43.4 held by Alberto Juantorena of Cuba.

The East German trailed the British duo, that set the pace into the homestretch, and then came charging through, puffing. Ovett was second in 1:44.10 and Coe third in 1:44.48.

"I kept on thinking I had to stay close to the two British specialists during the race, but then, on the final curve, I felt strong and confident and I suddenly decided to play my chips. Had I tried sooner, I probably could have won in a faster time," Beyer said.

Harald Schmid of West Germany overpowered the field to win the gold medal in the 400-meter hurdles, clocking 48.50 in a light drizzle. Dimitri Stukalov of the Soviet Union was second, several meters behind, and teammate Vasily Arshavskiy was third.

3-Meter Advantage
Jahl threw past teammate Margitta Dreose by almost three meters. Three of her six throws would have secured her victory in the event. Dreose, a bronze medalist in the shot put, was second with 64.04 and Natalia Gorbacheva of the Soviet Union third with 63.58.

Tatiana Providochina led a clean sweep of medals by the Soviet Union in the women's 800 meters, barely edging Nadezda Mustia. They were both clocked in 1:55.80. Zoja Rigel came in third in 1:56.60.

Injuries Scratch 25 Starters From NFL Openers

By William N. Wallace
NEW YORK, Aug. 31 (NYT) — The casualty lists already are long in advance of the opening of the National Football League's 59th season which will begin on Saturday night when the New York Giants play the Buccaneers at Tampa Bay.

There are 25 players who would be in the starting lineups this weekend if it were not for their injuries and 37 regulars are in the doubtful or questionable categories. Of this total of 62, 53 play at the most conspicuous position in the game, quarterback, and perhaps that is why injuries are so noticeable this season.

Of the quarterbacks, Bob Griese of the Miami Dolphins and Ken

Anderson of the Cincinnati Bengals are definitely out, having undergone surgery on account of knee and hand injuries. Bert Jones of the Baltimore Colts has a slight shoulder separation and insists he will play against the Dallas Cowboys on Monday night although his coach, Ted Marchibroda, is dubious.

David Whitehurst, the young Green Bay Packers quarterback, and Joe Ferguson of the Buffalo Bills, who did not miss a single play last year, are in the questionable category because of shoulder and knee injuries. The NFL places injured players in one of four categories with regard to upcoming games: probable (likely to play); questionable (status uncertain); doubtful

(probably won't play); and out (won't play).

Are there more players this year on the injured lists as the season begins than in previous ones? Records are too sketchy to draw any conclusions and probably the inclusion of the prominent quarterbacks, Anderson, Griese and Jones, makes it seem that way. There are always injured football players around and the absences are well distributed this year so no team can claim to be crippled before its first kickoff.

Don Strock, who is six feet five inches tall, has been practicing and preparing, although seldom playing, behind Griese since 1973. He has been in only 15 regular-season games, and those briefly, but has

played with distinction in several exhibitions. So the coach, Don Shula, is not too worried. The Dolphins start out against a weak opponent, the Jets, in New York.

As for seven rookie quarterbacks, Doug Beatty has done so well in place of A.J. Duhe at defensive end that Shula's concerns about his defense are also eased. Duhe, who made the league all-rookie team last year, is due back in October.

By contrast, the Bengals have a number of concerns. The replacement for Anderson, who will miss four games, is John Reaves. His past performances have been mediocre at best. But Bill Johnson, the coach, decided to stick with Reaves, who has been with the team since 1975, rather than bring in Jim Plunkett, recently let go by the 49ers.

Lewill Elliott, who might have started at running back, and Bo Harris, the linebacker, are also out, and three other regulars are questionable.

If Jones remains disabled, the Colts will start with a third stringer. Mike Kirkland, who was on the squad last season but never got in a game. The second stringer, Bill Troup, is sidelined with a shoulder sprain but could play. Of course, Kirkland's group, rather than Jones, will make a difference against the Dallas pass-rush and the Colts will also miss David Taylor, a starting offensive tackle out for the season following an ankle injury.

In place of Whitehurst, the Packers will start Neil Graft, a former Patriot and Steeler of minor distinction, against the Detroit Lions. Whitehurst had been the regular this summer only because Lynn Dickey was so slow to recover from a leg fracture.

Sydney 'Serious' As 1988 Bidder

SYDNEY, Aug. 31 (UPI) — A New South Wales sports official says there is no chance Melbourne will host the 1988 Olympics and that Sydney is the only legal and serious bidder.

Bill Young, President of the New South Wales (Sydney) Olympic Council, commented yesterday on a statement by Reginald Dixon, the minister for sport in Melbourne, who said that the games could be staged in Melbourne for about \$68 million.

"Mr. Dixon doesn't know what he is talking about," Young said. "You can tell the minister that if the 1988 Olympic Games are held in Australia, they will be held in Sydney."



Roland Wiesner strikes to victory in 20-kilometer walk on Wednesday at the Prague meet. Wiesner was placed first over Karl-Heinz Stadtmüller, who officials disqualified.

MAJOR LEAGUE LEADERS									
By United Press International									
BATTING (Based on 500 at bats)									
	G	A	B	R	H	P	CS		
Burrage, A.	126	41	127	33	33	33	33		
Porter, P.	117	42	73	32	32	32	32		
Smith, L.	113	40	73	32	32	32	32		
Clark, S.	129	44	76	34	34	34	34		
Madlock, S.	97	32	62	11	38	38	38		
Wright, S.	125	32	62	11	38	38	38		
Wright, S.	122	39	62	12	33	33	33		
Ross, C.	131	34	64	14	30	30	30		
Cruz, H.	126	49	63	13	30	30	30		
Concepcion, C.	126	49	63	13	30	30	30		
Howe, H.	117	41	64	12	29	29	29		
Wofford, H.	115	39	48	17	29	29	29		

NATIONAL LEAGUE									
	G	A	B	R	H	P	CS		
Carpenter, A.	122	42	64	12	33	33	33		
Rice, B.	122	42	64	12	33	33	33		
Oliver, T.	101	47	68	12	34	34	34		
Phillips, N.	109	38	67	11	31	31	31		
Roberts, S.	104	34	65	11	30	30	30		
Munson, N.	122	49	63	13	29	29	29		
Kerr, R.	122	49	63	13	29	29	29		
Phillips, D.	111	40	64	12	29	29	29		
Lynn, B.	120	44	64	13	29	29	29		
Yount, M.	99	38	58	11	28	28	28		

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Howe, H.	117	41	64	12	29	29	29		
Wofford, H.	115	39	48	17	29	29	29		

Center Still Has a Few Bugs

"The crowd is a huge problem," said Arthur Ashe. "I thought of asking the umpire to ask them to sit down, but that thought lasted about 10 seconds. It was ridiculous because people don't know where their seats are."

Ashe was more emphatic. "I want the entrances painted green as soon as possible," said Ashe.

Vitas Gerulaitis found it easier than most to shrug off the conditions.

